STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO Mr. Rosen

DATE: 10-8-47

FROM : E. J. McCabe

Call: 9:40 PM

SUBJECT: LOUIS CAMPAGNA, was, et al
BRIBERY, PAROLE MATTERS

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

ASAC Hosteny of the Chicago Division was telephonically contacted at the above time and instructed to interview Fusco in view of the allegation that he was doing leg work for DeLucia in order to ascertain any admissions he will make concerning the parole or the interest racketeers had in electing him. Mr. Hosteny was also requested to assign two Agents to examine the newspaper morgue from August 13 to September 15 to ascertain if there was any indication of bribery or irregularity as indicated by Doherty during his interview. Mr. Hosteny was also advised that Doherty stated that he gave the anonymous communications to Congressmen but they have been interviewed and have denied that any such communications had been received by them.

Mr. Hosteny advised that they will attempt to interview Fusco tonight and will advise the Bureau of the results by wire.

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ALL INFORMATION CONTAINED
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DATE 2/10/95 BY SP5a/cs
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51 DEC 18 1947

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Rosen

DATE: 10-8-47

FROM : E. J. McCabe

Call: 6:45 PM

SUBJECT: LOUIS CAMPAGNA, was, ET AL
BRIBERY, PAROLE MATTERS

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
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Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

SAC McSwain, Chicago Division, advised that he had not been successful in making an appointment to interview Governor Green. He was in contact with Governor Green's Executive Secretary on a number of occasions but the Governor was tied up and every effort will be made to interview him tomorrow but as yet no definite appointment has been obtained.

Mr. McSwain advised that interviews will be held in the morning with John T. Dempsey and Irwin Roemar, head of the Chicago Bar, who were unavailable today.

Mr. McSwain's attention was called to the teletype from the Chicago Division which indicated that Attorney Rein had advised that DeLucia told him that the same persons who raised the $500,000 cash bond when subjects were first arrested probably made the payments to Bernstein so that the tax claims could be settled. He was furnished with all of the information concerning the individuals and corporations who had made the bonds for the subjects when they were first arrested and instructed to have these leads run out immediately in an effort to determine the amount of money raised and the identities of the persons who raised the money for subjects in instant case.

RECORDED & INDEXED 55-2000-195

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/75 BY SP5 a/cw

51 DEC 18 1947

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...U OF INVESTIGATION
...TMENT OF JUSTICE
...CATIONS SECTION

OCT 8 1947

TELEMETER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/98 BY SP5C/CW

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

WASHINGTON AND WASHINGTON FIELD 12 FROM CHICAGO 8 7-40 PM

DIRECTOR AND SAC WASH FIELD

ATTENTION ASSISTANT DIRECTOR A. ROSEN.

LOUIS CAMPAGNA, WAS ETAL., BRIBERY, P.M. BISHOP WILLIAM D. O-BRIEN, THREE SIX NAUGHT NORTH MICHIGAN AVENUE, CHICAGO, ADVISES HE DID NOT SPONSOR OR IN ANY WAY ASSIST IN ORGANIZATION OF TESTIMONIAL BANQUET HELD FOR FRED MORELLI, DEMOCRATIC FIRST WARD COMMITTEEMAN, AT BLACKSTONE HOTEL IN MAY LAST. HE STATES THAT INASMUCH AS MORELLI IS PRESIDENT OF THE ST. VINCENT DE PAUL SOCIETY OF ST. JOHN-S PARISH OF WHICH BISHOP O-BRIEN IS PASTOR, HE, O-BRIEN, WAS INVITED TO ATTEND THIS BANQUET AT INVITATION OF THE LEADERS OF THIS SOCIETY. HE FURTHER STATED THAT BECAUSE OF HIS POSITION HE, BISHOP O-BRIEN, WAS THE GUEST OF HONOR AND DELIVERED THE PRINCIPAL SPEECH. O-BRIEN DECLARED ALL SUBJECTS UNKNOWN TO HIM AND THAT HE HAS NO KNOWLEDGE OF ANY ASPECTS OF THIS CASE AND THAT HE DOES NOT KNOW WHO SPONSORED ABOVE BANQUET FOR MORELLI. HE SAID ABOUT SIXTY TO SEVENTY FIVE WERE IN ATTENDANCE AND THAT HE MET ONLY APPROXIMATELY SIX PERSONS WHOM HE KNEW. O-BRIEN WHILE VERY COURTEOUS DECLARED THE INJECTION OF HIS NAME AS SPONSOR UNTRUE AND BELIEVED IT PART OF A SMEAR CAMPAIGN. HAS NO KNOWLEDGE OF ANY IRREGULARITIES IN CONNECTION WITH PAROLES. GOV. DWIGHT GREEN UNAVAILABLE FOR INTERVIEW TODAY. MAY BE AVAILABLE TOMORROW. ABOVE INTERVIEW PLUS JOHN T. DEMPSEY AND ERWIN ROEMER TO BE CONDUCTED TOMORROW. EFFORTS CONTINUING TO LOCATE ANTHONY D ACCARDO WHO IS REPORTEDLY STILL IN NEW YORK CITY, ADDRESS UNKNOWN, AND

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TWO COPIES WFO

CC: Mr. Rosen
Mr. McCabe

DATE OF RETURN TO CHICAGO NOT KNOWN. CHARLOTTE CAMPAGNA WAS REINTERVIEWED AT BERRIEN [redacted] SPRINGS, MICHIGAN, THIS DATE. CHARLOTTE CAMPAGNA STATED THAT SHE NEVER ATTENDED A MEETING WITH ANYBODY AT ANY TIME EXCEPT HER ONE VISIT TO PAUL DILLON, ST. LOUIS, MISSOURI, ATTORNEY, IN CONNECTION WITH PAROLE MATTER. SHE DENIED THAT THERE WAS EVER ANY MEETNG AT BERRIEN SPRINGS, MICHIGAN, OR ELSEWHERE. STATED SHE HAS NEVER MET GOVERNOR GREEN, HARRY ASH, MAXWELL, OR DEMPSEY. DOES NOT KNOW WHO MAXWELL OR DEMPSEY MIGHT BE. THE ONLY THING SHE KNOWS ABOUT GOVERNOR GREEN AND ASH IS WHAT SHE HAS READ IN THE NEWSPAPER AND NEVER DISCUSSED PAROLE MATTERS WITH ANYONE EXCEPT PAUL DILLON. HAS NEVER [redacted] BEEN IN LIGONIER, INDIAN, TERRE HAUTE, INDIANA, OR ANY OTHER TOWN IN CONNECTION WITH PAROLE MATTRS EXCEPT ST. LOUIS, MISSOURI, AS INDICATED ABOVE. SHE IS NOT ACQUAINTED WITH ANYONE IN LIGONIER, INDIANA LOUIS CAMPAGNA WAS PRESENT AT TIME OF INTERVIEW AND STATED HE DID NOT KNOW ANY OF THE ABOVE INDIVIDUALS. CHARLOTTE CAMPAGNA STATED THAT DURING LOUIS-S INCARCERATION SHE SELDOM VISITED THE BERRIEN SPRINGS FARM AS IT BROUGHT BACK UNPLEASANT MEMORIES AND ONLY VISITED FARM WHENEVER ABSOLUTELY NECESSARY TO PAY BILLS. BOTH CHARLOTTE AND LOUIS CAMPAGNA STATED THEY THOUGHT AGENTS WERE BEING FACETIOUS WHEN ASKING ABOUT MEETING [redacted] OCCURRING IN BERRIEN SPRINGS, MICHIGAN, AT WHICH MEETING [redacted] GOVERNOR OF THE STATE OF ILLINOIS WAS ALLEGEDLY PRESENT. BOTH SAID THIS WAS ABSURD AND WONDERED WHO ELSE-S NAME WOULD BE QUOTE DRAGGED INTO THIS END A PAGE TWO

PAGE THREE

MESS NEXT UNQUOTE. BOTH CHARLOTTE AND LOUIS CAMPAGNA WERE REQUESTED BY AGENTS NOT TO DISCUSS WITH ANYONE THE ALLEGED FACT THAT GOVERNOR GREEN ATTENDED THE MEETING AT BERRIEN SPRINGS, MICHIGAN, AND BOTH STATED THEY WOULD NOT REPEAT ANYTHING RELATIVE TO THE ALLEGED MEETING.

REPORT BEING FORWARDED AMSD TONIGHT.

MC SWAIN

END AND ACK PLS

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 8 1947

TELEMETER

Mr. Tolson
Mr. E. A. Tamm
Mr. Nease
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

WASHINGTON 1 AND WASHINGTON FIELD 1 8 10-25

CONF DIRECTOR, FBI AND SAC, WASHINGTON FIELD

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS, ATTENTION ASSISTANT DIRECTOR A. ROSEN. GIOE ADVISED ON INTERVIEW SEPTEMBER TWENTYSEVEN LAST THAT NO IRREGULARITIES EXISTED TO HIS KNOWLEDGE, IN OBTAINING PAROLES. HE ALSO STATED HE DID NOT KNOW DILLON CONNECTED WITH CASE UNTIL CONGRESSIONAL HEARING. HE DOES NOT KNOW OF ANY WORK PERFORMED BY DILLON IN FURTHERANCE OF ~~CARXXX~~ PAROLES AND HAS NEVER CONTACTED DILLON. ABOVE WILL BE INCORPORATED IN NEXT ~~REXXX~~ REPORT.

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MC SWAIN

END ACK PLS

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BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 8 1947

TELEMETER

ALL INFORMATION CONTAINED
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DATE 2/12/93 BY SP5C/sd

CONF WASHINGTON AND WASHINGTON FIELD 9 AND NEW YORK 5 FROM CHICAGO

OCTOBER 8 1947 6-50 PM

DIRECTOR FBI, SACS NEW YORK AND WASHINGTON FIELD

ATTENTION ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS., ET AL, BRIBERY, PAROLE MATTERS. REURTEL OCTOBER EIGHT INSTANT, CONCERNING INTERVIEW WITH THOMAS J. B. CULLEN IN CHICAGO. CULLEN, EDITOR FOR AN INSURANCE MAGAZINE, BUSINESS ADDRESS ONE NAUGHT TWO MAIDEN LANE, N. Y., RESIDING CHESTER, ORANGE COUNTRY, N. Y. CONTACTED THIS DAY AT EDGEWATER BEACH HOTEL, CHICAGO. CULLEN RECALLS INCIDENT WHEREIN JUDGE JOHN BRIGHT, S.D.N.Y., REQUESTED HIM TO INTERCEDE IN BEHALF OF ~~RXX~~ DR. CHASE, WHO WAS A RESIDENT PHYSICIAN AT ~~TH~~ THE NEW HAMPTON REFORMATORY, NYC, REGARDING HIS LIVING QUARTERS. CULLEN STATES NO CONTACTS MADE BY HIM INASMUCH AS HE CONSIDERED THIS REQUEST A ROUTINE POLITICAL MATTER, AND JUDGE BRIGHT HAD CLEARED HIMSELF BY ASKING HIM TO ACT. CULLEN RECALLED, HOWEVER, THAT ONE TONY COPPOLA, A COUNTY DETECTIVE WORKING OUT OF THE COUNTY COURT, BROOKLYN, N.Y., HAD SHORTLY PRIOR TO THE REQUEST OF JUDGE BRIGHT ASKED CULLEN FOR AN INTRODUCTION TO JUDGE BRIGHT IN BEHALF OF A FRIEND OF HIS WHO THE JUDGE HAD CONVICTED. BOTH THESE INSTANCES, ACCORDING TO ~~COXX~~ CULLEN, TOOK ~~PLSXX~~ PLACE APROXIMATELY TWO YEARS AGO, EXACT DATE HE COULD NOT RECALL. CULLEN DESCRIBED COPPOLA AS AN ITALIAN POLITICIAN WHO HE HAS BEEN ACQUAINTED WITH FOR A GREAT NUMBER OF YEARS AND A PERSON WHO WAS WELL ACQUAINTED IN THE POLITICAL FIELD. CULLEN ADVISED THAT HE HAS NO WAS OF KNOWING WHETHER COPPOLA OBTAINED INFORMATION AS TO JUDGE BRIGHTS

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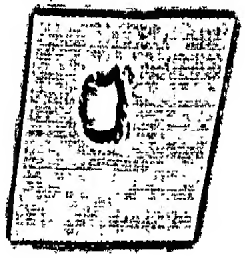

REQUEST OF CULLEN, HOWEVER, IT IS ENTIRELY POSSIBLE, ACCORDING TO CULLEN, THAT COPPOLA USED THIS OPPORTUNITY TO APPROACH JUDGE BRIGHT IN REQUESTING A FAVOR. CULLEN STATED IT WAS ENTIRELY POSSIBLE THAT COPPOLA WAS IN HIS OFFICE WHEN JUDGE BRIGHT CONTACTED HIM. CULLEN ADVISED THAT COPPOLA RESIDES IN OTISVILLE , ORANGE COUNTY, N. Y., EXACT ADDRESS HE COULD NOT FURNISH. CULLEN STATED HE DID NOT REMEMBER WHO COPPOLA WAS ATTEMPTING TO HELP AT THE TIME HE REQUESTED AN INTRODUCTION TO JUDGE BRIGHT. IN REGARD TO THE MATTER OF OBTAINING PERMISSION FOR DR. CHASE TO REMAIN ON AT THE REFORMATORY, CULLEN WAS OF THE OPINION THAT THIS ~~AUTHXX~~ AUTHORITY WAS NOT GRANTED.

MC SWAIN

END AND ACK PLS TWO COPIES WFO

cc: MW McCabe

BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 8 1947

TELEMETER

WASHINGTON AND WASHINGTON FIELD 2 FROM CHICAGO 8 12-01PM G

CONF TO DIRECTOR AND SAC WAHINGTON FIELD URGENT

ATTENTION ASSISTANT DIRECTOR A. ROSEN.

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTER. [redacted] ADVISED THAT CAPTAIN [redacted] CHICAGO PD, TOLD [redacted] THAT ON DECEMBER FOURTEN, NINETEEN FORTY, [redacted] b7D [redacted] CHECKED THE RECORDS OF THE [redacted] WITH NEGATIVE RESULTS. IT WAS LEARNED, HOWEVER THE CASE WAS HEARD BEFORE [redacted] THE TWO PRO BABLE COMPLAINANTS IN ABOVE CASE [redacted] THE ARREST OF THE FIVE INDIVIDUALS, ACCORDING XX ACCORDING TO [redacted] WAS MADE AT THE SENECA HOTEL WHERE IT IS NOTED THAT [redacted] RESIDED. [redacted] INDICATES THAT THE MATTER WAS HUSHED UP DUE TO THE FACT THAT [redacted] WERE ATTORNEYS AND POLITICALLY PROMINENT IN THE CITY OF CHICAGO. [redacted] ACCORDING TO [redacted] OBTAINED INFORMATION FROM AN INFORMANT, [redacted] THAT [redacted] HAD BEEN CONDUCTING DINNER PARTIES AT THE HOTEL IN THEIR SUITES WITH [redacted] AND THE PERSONS ATTENDING THE PARTIES WERE IN TH [redacted] AND [redacted] ADVISED THAT THERE WAS NO PROOF OF TO SUBSTANTIATE THIS ALLEGATION IN HIS FILES. [redacted] ALSO

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DISCLOSED [redacted] OF STATE OF ILLINOIS IN EARLY THIRTIES. [redacted] STATED [redacted] IS BELIEVED TO BE [redacted] COMPANY, EIGHT NAUGHT NINE WEST MADISON STREET, CHICAGO. ACCORDING TO [redacted], [redacted] HAS THE CONCESSION ON THE QUOTE BARREL OF FUN UNQUOTE WHICH IS PROBABLY A PUNCH BOARD OR TIP JAR. [redacted] SUPPOSEDLY RUN OUT OF CHICAGO IN LAST SEVERAL YEARS AND NOW OPERATING IN SOUTHERN PART OF ILLINOIS USING [redacted] INFORMANT OF [redacted] STATED THAT WHEN [redacted] LOSES A DEALER HE REPORTS DEALER TO [redacted] WHO IN TURN REPORTS DEALER TO ILLINOIS CRIME PREVENTION COMMISSION. [redacted] STATED JAMES BOWLER, FORMER FINANCE COMMITTEE CHAIRMAN, MADE STATEMENT TO EFFECT THAT IF HE WAS NOT RETAINED AS COMMITTEE CHAIRMAN AT LAST ELECTION OF KELLY IN CHICAGO HE WOULD QUOTE BLOW THE LID UNQUOTE OFF OF CHICAGOS RELATIONS BETWEEN THE SYNDICATE AND THE CITY HALL. FURTHER CHECK OF THE FILES AT [redacted] REFLECTED A TRIBUNE CLIPPING DATED JULY TWENTYSEVEN, NINETEEN THIRTYNINE TO THE EFFECT THAT EUGENE BERNSTEIN WAS INDICATED ON THE CHARGE OF ERASING, ALTERING AND TAMPERING WITH NINETYTHREE BALLOTS IN APRIL NINETEEN THIRTY EIGHT PRIMARY ELCTION, THIRTYTHIRD PRECINCT, TWENTYFOURTH WARD. APRIL NINETEEN FORTY INDICTMENT QUASHED ON GROUND STATUTE OF LIMITATIONS HAD EXPIRED. [redacted] IS BEING CONSIDERED AS A CONFIDENTIAL INFORMANT.

MC SWAIN

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cc: Mr. Rosen
Mr. McGabe

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COMMUNICATIONS SECTION

OCT 3 1947

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2/10/95 SPSession 58709

WASH 14 FROM CGO 9 7-45 PM RLS

DIRECTOR AND SAC WASH FIELD "VERY URGENT"

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PM. JOHN T. DEMPSEY, PUBLIC ADMINISTRATOR, STATE OF ILLINOIS, WAS INTERVIEWED AT HIS OFFICE, ELEVEN SOUTH LA SALLE STREET, CHICAGO, TODAY. DEMPSEY ADVISED HE PARTICIPATED IN NO MANNER WHATSOEVER WITH RESPECT TO PAROLE MATTER PRESENTLY UNDER INVESTIGATION. STATED HE WAS FIRST AWARE OF PAROLES AFTER NEWSPAPER PUBLICITY. DENIED HAVING EVER BEEN IN BERRIEN SPRINGS, MICHIGAN OR VICINITY. DENIED EVER RECEIVING A TELEPHONE CALL FROM BERRIEN SPRINGS OR ANYWHERE ELSE IN CONNECTION WITH PAROLE MATTER. DENIED DISCUSSING PAROLE MATTER WITH ANYONE PRIOR TO LOCAL NEWSPAPER PUBLICITY. ADVISED THAT AFTER HARRY ASH HAS TESTIFIED BEFORE CONGRESSIONAL COMMITTEE, ASH PERSONALLY TOLD HIM OF HIS TESTIMONY AND ASSURED DEMPSEY HE WAS GUILTLESS. DENIED KNOWING ASH WAS TO BE PAROLE ADVISOR UNTIL READING SAME IN LOCAL NEWSPAPER. STATED THAT IF THERE WAS A MEETING IN BERRIEN SPRINGS IT WAS WITHOUT HIS KNOWLEDGE. DEMPSEY WAS NOT ACQUAINTED WITH ANYONE BY NAME OF MAXWELL FROM LIGONIER, INDIANA. DEMPSEY STATED GOVERNOR GREEN'S BIRTH PLACE WAS LIGONIER, INDIANA. DEMPSEY EMPHATICALLY DENIED HAVING EVER BEEN CONTACTED BY ANYONE AT ANY TIME OR AT ANY PLACE IN CONNECTION WITH PAROLE MATTER UP TO AND INCLUDING THIS DATE. HE WAS SPECIFICALLY ASKED IF GOVERNOR GREEN HAD EVER CONTACTED HIM WITH RESPECT TO PAROLE MATTER OR PAROLE ADVISORS AND HE REITERATED HIS DENIAL. DEMPSEY WAS REQUESTED TO KEEP THIS INTERVIEW IN CONFIDENCE AND HE ASSURED AGENTS HE WOULD. DEMPSEY THANKED

END PAGE ONE

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OF THE INTERNAL REVENUE DEPARTMENT IN NINETEEN FORTY THREE. THE AGENTS WERE ADVISED IN THIS CONNECTION THAT THE AMERICAN CASUALTY COMPANY HAD AT FIRST DECLINED FURNISHING THIS INFORMATION TO THE INTERNAL REVENUE DEPARTMENT, ON THE BASIS THEY CONSIDERED IT CONFIDENTIAL, AND AFTER CONSIDERABLE NEGOTIATION AND DISCUSSION WITH FEDERAL DISTRICT COURT JUDGE HOLLY, THE ABOVE MENTIONED LIST WAS SUPPLIED. THE TOTAL OF THE COLLATERAL PUT UP APPEARING ON THIS LIST WAS THREE HUNDRED EIGHTY EIGHT THOUSAND DOLLARS. KONITZER AND DUNNE ADVISED THAT THE TOTAL AMOUNT OF COLLATERAL WAS APPROXIMATELY FIVE HUNDRED THOUSAND DOLLARS AND THAT THIS MONEY HAD BEEN DEPOSITED AT THE CHICAGO OFFICE OF THE AMERICAN CASUALTY CO. BY THE GUARANTORS OF THE BOND. THEY STATED THAT THE DISCREPANCY OF ONE HUNDRED TWELVE THOUSAND DOLLARS COULD NOT BE ACCOUNTED FOR EXCEPT THAT THEY THOUGHT THE INDIVIDUALS LISTED BELOW HAD POSSIBLY COME IN AT LATER DATE AND ADDED ADDITIONAL MONEYS TO THE COLLATERAL. WHEN QUESTIONED SPECIFICALLY AS TO WHETHER THERE WERE OTHER PERSONS INVOLVED IN THE TRANSACTION WHOSE NAMES DID NOT APPEAR UPON THE LIST, DUNNE WAS UNABLE TO ANSWER THE QUESTION, STATING THAT THEIR FILES WERE NOT COMPLETE AND THAT ONLY THE HOME OFFICE WOULD HAVE THE ANSWER TO THIS QUESTION. DUNNE STATED HE THOUGHT THE LIST CONTAINED ALL THE NAMES. THERE FOLLOWS A LIST OF THE INDIVIDUALS APPEARING IN THE FILE AS PUTTING UP COLLATERAL FOR THE BONDS OF THE SUBJECTS --

"PAYMENTS BY CASHIERS CHECKS"

SAMUEL GAROFALO, ONE TWO THREE ONE VINE STREET, FIVE THOUSAND DOLLARS, COSMO NATIONAL

END PAGE TWO

PAGE THREE

NATE JACOBS, TWO NAUGHT NINE WEST JACKSON, FIVE THOUSAND DOLLARS, INDEPENDENT NATIONAL.

LOUIS ESPOSITO, EIGHT FIVE NAUGHT HALSTED, FIVE THOUSAND DOLLARS, CENTRAL NATIONAL.

TONY PALUMBO, CHICAGO AVENUE MOTOR SALES, TWO FOUR ONE TWO WEST CHICAGO, TWENTY FIVE THOUSAND DOLLARS, NATIONAL SECURITY.

SAM CAPLAN, FOUR NINE FOUR TWO NORTH FRANCISCO, TWENTY THOUSAND DOLLARS, CITY NATIONAL.

JOHN SCANLAN, SEVEN FOUR THREE EIGHT PRAIRIE, FIVE THOUSANDS DOLLARS, AMERICAN NATIONAL.

CHARLES SIGNA, FOUR EIGHT ONE SEVEN DAKIN, FIVE THOUSAND DOLLARS, NORTHWEST NATIONAL.

RUDOLPH SWANSON, SEVEN EIGHT TWO FIVE CONSTANCE, SEVENTY FIVE HUNDRED DOLLARS, CENTRAL NATIONAL.

C. LA MANTIA, FIVE SIX FIVE FIVE SOUTH MOZART, SEVENTY FIVE HUNDRED CENTRAL NATIONAL.

GEORGE CHRISTOS, ONE EIGHT TWO THREE FIFTY FIRST STREET, CICERO, TEN THOUSAND DOLLARS, FIRST NATIONAL.

TONY BATTAGLIA, ONE FIVE EIGHT WEST FOURTEENTH, CHICAGO HEIGHTS, FIVE THOUSAND DOLLARS, CITY NATIONAL, CHICAGO HEIGHTS.

P. LA MANTIA, SEVEN FIVE THREE SEVEN SOUTH PARK, TEN THOUSAND DOLLARS, CENTRAL.

GUY DI LEO, ONE ONE TWO THREE WEST HURON, TEN THOUSAND DOLLARS, NATIONAL SECURITY.

MRS. ELSIE FLEIG, FOUR THREE NAUGHT NAUGHT MARINE DRIVE, TEN THOUSAND DOLLARS, AMERICAN NATIONAL BANK AND TRUST.

END PAGE THREE

PAGE FOUR

MICKEL POTSON, TWO ONE TWO SIX SOUTH WABASH, THIRTEEN THOUSAND DOLLARS, AMERICAN NATIONAL BANK.

S. JEROME JOHNSON, ONE NORTH LA SALLE, TEN THOUSAND, AMERICAN NATIONAL BANK.

JAMES GRAZIANO, NINE NAUGHT ONE WEST [redacted] RANDOLPH STREET, TEN THOUSAND DOLLARS, MID CITY NATIONAL, CHICAGO, J. P. [redacted] GRAZIANO GRO. COMPANY.

ANTHONY PERRY, CITY BEVERAGE, ONE THREE THRE ONE PRAIRIE, CHICAGO HEIGHTS, TEN THOUSAND DOLLARS, CHECK ISSUED TO PERRY BY [redacted] CHICAGO HEIGHTS NATIONAL BANK ON CONTINENTAL ILLINOIS NATIONAL.

JOHN COMISE, FIVE TWO NINE WEST FORTY SIXTH, TEN THOUSAND DOLLARS, HALSTED EXCHANGE NATIONAL.

WILLIAM D'AMICO, GLENWOOD, ILLINOIS, TWENTY THOUSAND DOLLARS, ISSUED BY CHICAGO HEIGHTS NATIONAL BY CONTINENTAL ILLINOIS NATIONAL.

DOROTHY PIERCE, SEVEN SEVEN TWO SEVEN SOUTH KINGSTON, TWELVE THOUSAND DOLLARS, NATIONAL BANK OF HYDE PARK.

"PAYMENTS BY PERSONAL CHECK"

JOHN DORR, DORR MIDWEST TRAILER SALES, CHARLESTOWN, INDIANA, FIVE THOUSAND DOLLARS, FIRST BANK CHARLESTOWN.

END PAGE FOUR

PAGE FIVE

"PAYMENTS BY CASH"

LOUIS VOLIN, ONE ONE THREE SEVEN SOUTH STATE, TEN THOUSAND DOLLARS.

WALTER ~~KAXX~~ KLAUSCH, ONE FOUR EAST WALTON PLACE, TEN THOUSAND DOLLARS.

JOHN RAGO, SIX TWO FOUR NORTH WESTERN, EIGHTY THREE HUNDRED DOLLARS.

LOUIS RAGO, SIX TWO FOUR NORTH WESTERN, ELEVEN THOUSAND SEVEN HUNDRED DOLLARS.

W. THOMAS NOWAK, FOUR SEVEN FOUR NAUGHT WEST SIXTY FIFTH, FIFTEEN THOUSAND DOLLARS.

ROBERT MARCUS, ONE ONE NAUGHT NINE SOUTH STATE, FIFTEEN THOUSAND DOLLARS

BETTY SUSSMAN, TWENTY FIVE THOUSAND DOLLARS.

JACK SUSSMAN, TWENTY FIVE THOUSAND DOLLARS.

"PAYMENTS BY CASH AND CASHIERS CHECKS"

DAVID J. PEILET, FOUR SIX EAST TWENTY SECOND, THIRTEEN THOUSAND DOLLARS,

CITY NATIONAL ~~BAKXXX~~ BANK AND TRUST

LOUIS C. COHEN, SENECA HOTEL, TEN THOUSAND DOLLARS, LAKE ~~SHXXX~~ SHORE TRUST.

"PAYMENTS BY BANK MONEY ORDER"

PETER MARUCA, ONE ONE FIVE EIGHT WEST GRAND, FIVE THOUSAND DOLLARS, NATIONAL SECURITY.

LOUIS DE CALA, ONE ONE FIVE EIGHT WEST GRAND, FIVE THOUSAND DOLLARS, NATIONAL SECURITIES.

END PAGE FIVE

"PAYMENT BY CERITIFIED CHECK"

GEORGE CHERONES, FIVE THOUSAND DOLLARS, FIRST NATIONAL BANK.

"PAYMENT BY CASHIERS CHECK AND PERSONAL CHECK"

SANTO GAROFALO, THREE TWO ONE NAUGHT PIERCE STREET, TEN THOUSAND DOLLARS CENTRAL NATIONAL

ALL ADRESSES AND BANKS ARE LOCATED IN CHICAGO UNLESS OTHERWISE STATED IN THE ABOVE LIST OF DONORS.

CONTAINED IN THE FILE FURNISHED BY DUNNE AND KONITZER WAS A COPY OF A COLLATERAL AGREEMENT WHICH INDICATED THAT THE COLLATERAL PUT UP BY ANY INDIVIDUAL COVERED THE BONDS OF THE FOLLOWING INDIVIDUALS - CHARLES GIOE, PHILLIP D'ANDREA, PAUL DE LUCIA, LOUIS CAMPAGNA, FRANCIS MARITOTE AND RALPH PIERCE, JOINTLY AND SEVERALLY. THE COPY OF THE AGREEMENT THAT WAS CONTAINED IN THE FILE WAS ONE THAT PERTAINED TO THE COLLATERAL ADVANCED BY DI LEO, AND WAS DATED MARCH TWENTY FIVE, NINETEEN FORTY THREE. IN CONNECTION WITH THE COLLATERAL PUT UP BY THE VARIOUS INDIVIDUALS, DUNNE AND KONITZER EXPLAINED THAT THE TOTAL BOND SUPPLIED BY THEIR COMPANY WAS SEVEN HUNDRED THOUSAND DOLLARS. THEY STATED THAT THEIR COMPANY ALSO BONDED ROSELLI, BUT THAT BOND WAS NOT ACTUALLY CONSUMMATED IN THE CHICAGO OFFICE. THEY FURTHER STATED THAT COLLATERAL WAS OBTAINED IN THE AMOUNT OF APPROXIMATELY FIVE HUNDRED THOUSAND DOLLARS AND THAT A FEE OF TWO PERCENT WAS CHARGED FOR THE BONDS, WHICH

TOTALED A PROFIT TO THE COMPANY OF FOURTEEN THOUSAND DOLLARS. THE FURTHER ADVISED THAT IN CONNECTION WITH THE NON-APPEARANCE OF THE SUBJECTS THAT AT LEAST SIX OF THE SUBJECTS WOULD HAVE TO FAIL TO APPEAR BEFORE THEY WOULD HAVE ANY LOSS IN THIS TRANSACTION. THEY STATED THEY WOULD HAVE A POSSIBLE TWO HUNDRED THOUSAND DOLLAR LOSS IF ALL SEVEN SUBJECTS FAILED TO APPEAR WHEN CALLED. THEY WERE ASKED WHO HAD PAID THE COSTS OF THESE BONDS, AND THEY INFORMED THAT JOSEPH I. BULGER HAD PAID THESE COSTS, HOWEVER, THEY DID NOT KNOW FROM WHAT SOURCE HE OBTAINED THE FUNDS TO PAY THE COSTS. REFERENCE IS MADE TO INFORMATION SUPPLIED TELEPHONICALLY BY MR. TABER OF BUREAU TO THE EFFECT THAT JOHN ROSELLI, ON JUNE EIGHT, NINETEEN FORTY THREE, OBTAINED BOND IN AMOUNT OF ONE HUNDRED THOUSAND DOLLARS, WITH AMERICAN CASUALTY CO. OF READING, PA. ON JULY TWENTY SEVEN, NINETEEN FORTY THREE, THE ONE HUNDRED THOUSAND DOLLAR BOND CANCELED TO EXTENT OF FIFTY THOUSAND DOLLARS AND SUBSTITUTED WITH A FIFTY THOUSAND DOLLAR BOND WITH MANUFACTURERS CASUALTY INSURANCE CO. OF PHILADELPHIA, PA. REMAINING FIFTY THOUSAND DOLLARS SUBSTITUTED WITH NEW BOND BY AMERICAN CASUALTY CO. OF READING, PA. LIKEWISE, BONDS OF DE LUCIA, CAMPAGNA, D'ANDREA, AND GIOE SUPPLIED BY AMERICAN CASUALTY CO. ON MAY TWENTY SIX, NINETEEN FORTY THREE WERE CANCELED ON JULY TWENTY ONE, NINETEEN FORTY THREE, AND SUBSTITUTED WITH MANUFACTURERS CASUALTY INSURANCE CO. BONDS. DUNNE AND KONITZER STATED THAT THEIR RECORDS FAILED TO SHOW DATES OF BONDS, DATES OF COLLATERAL AGREEMENTS OR DATES OF CANCELLATION OF BONDS. IT IS REQUESTED THAT PHILADELPHIA, AT READING,

TWO 203

NTS FOR OPPORTU[illegible]EN HIM BY FBI TO M[illegible]NALLY DENIAL OF ANY KNOWLEDGE HE HAD IN CONNECTION WITH INSTANT MATER. ERWIN W. ROEMER, PRESIDENT OF CHICAGO BAR ASSOCIATION AND MEMBER OF LAW FIRM OF GARDNER, CARTON AND DOUGLAS, THIRTY THREE SOUTH CLARK, CHICAGO, INTERVIEWED AT HIS OFFICE THIS DATE. ROEMER STATED HE HAS IN NO WAY EVER PARTICIPATED IN ANY MANNER IN PAROLE MATTER UNDER INVESTIGATION. ROEMER STATED HE WAS ACQUAINTED WITH ONLY ONE OF THE PAROLEES, NAMELY PAUL DE LUCIA, WHOM HE REFERS TO AS PAUL RICCA. ROEMER EXPLAINED THAT HE REPRESENTED AN INSURANCE COMPANY THAT WAS BEING SUED BY RICCA IN CONNECTION WITH AN ELEVATOR ACCIDENT RICCA EXPERIENCED IN CHICAGO. ROEMER DENIED HAVING EVER BEEN APPROACHED BY ANYONE RELATIVE TO THIS PAROLE MATTER AT ANY TIME. HE HAS NO INFORMATION REGARDING PAROLE MATTER OTHER THAN WHAT HE HAS READ IN LOCAL NEWSPAPERS. HE WAS SPECIFICALLY ASKED IF HE WAS ACQUAINTED WITH AN ATTORNEY BY NAME OF HUGHES FROM DALLAS, TEXAS, AND HE STATED HE DID NOT KNOW ANY ATTORNEY NAMED HUGHES IN DALLAS OR ANY OTHER PLACE IN TEXAS. ROEMER WAS ASKED TO KEEP THIS CONFERENCE CONFIDENTIAL AND HE ASSURED AGENTS HE WOULD. GOVERNOR DWIGHT H. GREEN INTERVIEWED BY ME AND ASAC HOSTENY WITH REFERENCE TO ALLEGATION HE HAD INSTRUCTED HARRY ASH, SUPERINTENDENT OF ILLINOIS CRIME PREVENTION COMMISSION, TO ACT AS PAROLE ADVISER IN THIS CASE WHILE REPORTEDLY ATTENDING MEETING AT HOME OF SUBJECT LOUIS CAMPAGNA AT BERRIEN SPRINGS, MICH. GREEN STATED ALLEGATION QUOTE UTTERLY RIDICULOUS UNQUOTE AND WITHOUT ANY TRUTH WHATSOEVER. FURTHER ADVISED HE DID NOT KNOW WHAT HARRY ASH MAY HAVE DONE IN THIS MATTER AND CONSEQUENTLY [redacted] COULD NOT SPEAK FOR ASH.

MC SWAIN

58-2000-200

END ACK

TWO COPIES WFO

cc: Mr Rosen
Mr McCabe

[illegible] SECTION

OCT 9 47

Recd 10 32 pm
10-9-47
Mc Lake previously advised by TT unit.
N.A. [illegible]

TELEMETER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/93 BY SP5A/CM

Mr. [illegible]
Mr. E. A. Tamm
Mr. Clegg
Mr. Egan
Mr. Ladd
Mr. Nease
Mr. Lester
Mr. Tracy
Mr. Ingan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]

WASH 15 PHILA 1 NYC 5 FROM CGO 10-9-47 8-05 PM RLS

DIRECTOR, SACS WASH FIELD, PHILADELPHIA AND NEW YORKCITY

ATTENTION ASST DIRECTOR A. ROSEN " V E R Y U R G E N T "

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. MR. A. AM KONITZER, RESIDENT VICE PRESIDENT AND MR. TIM E. DUNNE, MANAGER, FIDELITY AND SURETY DEPARTMENT, AMERICAN CASUALTY CO, ONE SEVEN FIVE WEST JACKSON, CHICAGO, ILL, WERE INTERVIEWED IN REGARD TO THE AGENT REPRESENTING THEIR COMPANY AT THE TIME BONDS WERE POSTED FOR THE SUBJECTS IN THIS CASE, AND FOR INFORMATION REGARDING THE INDIVIDUALS THAT PUT UP COLLATERAL IN CONNECTION WITH THESE BONDS. DUNNE STATED THAT THE ORIGINAL CONTACT OF AMERICAN CASUALTY CO. WITH THE SUBJECTS REGARDING BONDS CAME ABOUT THRU AN ATTORNEY, GEORGE CALLAGHAN, WHO WAS REPRESENTING THE SUBJECTS IN THE BOND MATTER, AND WHO IS A PERSONAL FRIEND OF DUNNE. CALLAGHAN, THRU AN INDIVIDUAL BY THE NAME OF ARTHUR J. WARD, TWO NAUGHT EIGHT SOUTH LA SALLE STREET, CHICAGO, INSURANCE BROKER, CONTACTED AMERICAN CASUALTY COMPANY, AND ARRANGEMENTS WERE THEREBY MADE FOR PLACING THE BONDS. DUNNE AND KONITZER STATED THAT THEY HAD NO FILES OF THE BONDING TRANSACTIONS EXCEPT FOR A SMALL FILE SHOWING THE NAMES OF THE INDIVIDUALS PUTTING UP COLLATERAL, AND DUN AND BRADSTREET REPORTS ON INDIVIDUALS THAT DID PUT UP THE COLLATERAL. THE FILE CONTAINED A TYPEWRITTEN LIST OF INDIVIDUALS WITH THE NAMES, TYPE OF CHECK, BANK, AMOUNT OF COLLATERAL, AND ADDRESS OF THE DONOR, AND WAS ORIGINALLY PREPARED BY DUNNE FOR MALOKE

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END PAGE ONE

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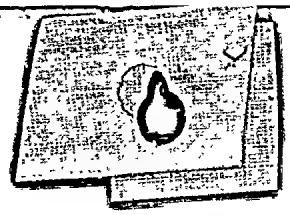
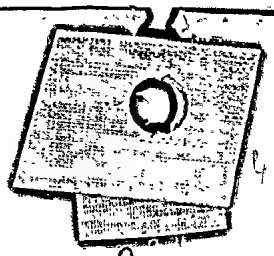

PA, CONTACT AMERICAN CASUALTY CO. AND OBTAIN ANY ADDITIONAL NAMES OF INDIVIDUALS SUPPLYING COLLATERAL ON BONDS OF SUBJECTS AND OBTAIN INFORMATION AS TO DATES OF BONDS, DATES OF COLLATERAL AGREEMENTS, AND DATES OF CANCELLATION OF BONDS. REQUESTED THAT PHILADELPHIA, AT PHILADELPHI, CONTACT MANUFACTURERS CASUALTY INSURANCE CO. AND OBTAIN NAMES OF INDIVIDUALS PUTTING UP COLLATERAL FOR SUBJECTS' BONDS, DATES OF BONDS, DATES OF COLLATERAL AGREEMENTS, AND DATES OF CANCELLATION OF BONDS. ALSO OBTAIN FROM THESE TWO COMPANIES METHOD THAT REPAYMENT WAS MADE OF THE ORIGINAL COLLATERALS TO THE GUARANTORS, AND DATES OF THESE REPAYMENTS. WILL OBTAIN FROM THE AMERICAN CASUALTY COMPANY RECORDS IF POSSIBLE METHOD OF PAYMENT OF FOURTEEN THOUSAND DOLLAR FEE BY JOSEPH I. BULGER AND IF MADE BY CHECK OBTAIN NAME AND LOCATION OF BANK ON WHICH CHECK WAS DRAWN TOGETHER WITH DATE AND MAKER. ALSO IDENTIFY THE AGENT PLACING BUSINESS WITH MANUFACTURERS CASUALTY INSURANCE CO, OF PHILADELPHIA, PA. AND OBTAIN ALL INFORMATION IN FILES OF THESE COMPANIES. SUTEL BUREAU, WFO AND CHICAGO.

MC SWAIN

END ACK

TWO COPIES WFO

58-2000-20

cc: Mr. McCabe

...VESTIGATION
...OF JUSTICE
COMMUNICATIONS SECTION

OCT 9 1947

TELEMETER

WASHINGTON AND WASHINGTON FIELD 4 FROM CHICAGO 9 1-35PM

CONF TO DIRECTOR AND SACS SAN FRANCISCO AND WASHINGTON FIELD

URGENT

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/10/78 BY SP5 JCW

ATTENTION ASSISTANT DIRECTOR A. ROSEN.

LOUIS CAMPAGNA, WAS , ET AL, BRIBERY, PM. INTERVIEW PETER FOSCO WHO IS ATTENDING AFL CONVENTION IN SAN FRANCISCO AND STOPPING PALACE HOTEL. FOSCO WAS FORMERLY COOK COUNTY COMMISSIONER BUT WAS DEFEATED NINETEEN FORTYSIX ELECTIONS. FOSCO SHOULD BE QUESTIONED CONCERNING KNOWLEDGE IN HIS POSSESSION RELATIVE MANNER IN WHICH SUBJECTS SECURED PAROLES AND WHETHER HE ASSISTED IN ANY WAY. ALSO QUESTION CONCERNING ALLEGATION THAT WORD WAS PASSED AROUND IN ALL ITALIAN WARDS IN CHICAGO TO EFFECT EVERY EFFORT MUST BE MADE TO ELECT DEMOCRATIC CANDIDATES SO THAT THE SUBJECTS COULD BE QUOTE SPRUNG UNQUOTE. ALSO CONCERNING ALLEGATION THAT REPUBLICAN PRECINCT CAPTAINS ACCOMPANIED DEMOCRATIC PRECINCT CAPTAINS WHEN CANVASSING THE WARDS THAT THERE WAS TERRORISM AND BLOODSHED IN THE ITALIAN WARDS DURING THE NINETEEN FORTYSIX ELECTIONS. IT HAS BEEN ALLEGED THAT FOSCO RECEIVED POLITICAL ORDERS FROM SUBJECT DE LUCIA WHILE DE LUCIA WAS IN PENITENITIARY. ENDEAVOR DEVELOP THIS AND ASCERTAIN WHETHER FOSCO EVER VISITED DE LUCIA AT PENITENTIARY UNDER AN ASUMED NAME. RECORDS FAIL TO REVEAL ANY VISITS UNDER NAME FOSCO. DOES FOSCO KNOW ANTHONY ACCARDO, AND IF SO, RELATION SHIP OF THIS ACQUAINTANCE. ANTHONY ACCARDO IS CHICAGO HOODLUM AND VISITED DE LUCIA AT LEAVENWORTH UNDER NAME JOSEPH BULGER. SUTEL SUMMARY TO BUREAU, WFO AND CHICAGO.

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MC SWAIN

DSAN FRAN ADVISED

ACK

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. Rosen

DATE: October 9, 1947

FROM : E. J. McCabe

SUBJECT: LOUIS CAMPAGNA, was, ET AL
BRIBERY; PAROLE MATTER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/10/95 BY SP5 cap

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

ASAC Hosteny, Chicago Division, advised that Governor Dwight H. Green had been interviewed by SAC McSwain and himself. Governor Green advised, with reference to the allegation that he had instructed Harry Ash, Superintendent of the Illinois Crime Prevention Commission, to act as parole advisor in this case while reportedly attending a meeting at the home of subject Campagna at Berrien Springs, Michigan, that the allegation was "utterly ridiculous" and without any truth whatsoever. Governor Green further advised he did not know what Harry Ash may have done in this matter and, consequently, could not speak for Ash.

Mr. Hosteny advised that John T. Dempsey, Public Administrator for the State of Illinois, stated he participated in no manner whatsoever with respect to the parole matter presently under investigation. He said he was first aware of the paroles after the newspaper publicity. He denied having ever been in Berrien Springs, Michigan, or its vicinity. He denied ever receiving a telephone call from Berrien Springs or anywhere else in connection with the parole matter. He denied discussing the parole matter with anyone prior to the local newspaper publicity. Dempsey said that after Harry Ash had testified before the Congressional Committee Ash told him of his testimony and assured Dempsey he was guiltless. Dempsey denied knowing Ash was to be a parole advisor until reading about it in the newspaper, and stated that if there was a meeting in Berrien Springs it was without his knowledge. Dempsey declared he was not acquainted with anyone by the name of Maxwell from Ligonier, Indiana, and said that Governor Green's birthplace was Ligonier, Indiana.

Dempsey emphatically denied having ever been contacted by anyone at any time or at any place in connection with the parole matters. He was specifically asked if the Governor had ever contacted him with respect to parole matters or parole advisors, and he reiterated his denial.

RECORDED

In conclusion, Dempsey was requested to keep the interview confidential and he stated he would and at the same time thanked the Agents for having given him the opportunity to make a personal denial of any knowledge about this case.

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Erwin W. Roemer, President of the Chicago Bar Association, and member of the law firm of Gardner, Carton, and Douglas, 33 South Clark Street, Chicago, Illinois, stated he has in no way ever participated in any manner in the parole matters under investigation. Roemer said he was acquainted with only one of the parolees; namely, Paul DeLucia, whom he refers to as Paul Ricca. Roemer explained that he represented an insurance company that was being sued by Ricca in connection with an elevator accident Ricca experienced in Chicago. Roemer denied having ever been approached by anyone relative to this parole matter at any time and that he has no information regarding the parole matter other than what he has read in local newspapers. He stated he was not acquainted with an attorney by

EJM:vpm

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the name of Hughes from Dallas, Texas, and he stated he did not know any attorney in Dallas or any other place in Texas by the name of Hughes. He likewise said he would keep the interview confidential at the request of the Agent.

Louis Rago, official of Rago Funeral Home, advised that he and his brother John, deceased, at the request of Mrs. Louis Campagna, had advanced $20,000.00 toward the collateral for bond of Louis Campagna at the time Campagna was arrested in 1943. Rago stated this money was turned over to Joseph Imburgio, alias of Joseph Bulger. Rago said he had nothing to do with the payments made to Bernstein for income taxes of DeLucia and Campagna. He advised he was not acquainted with Bernstein and said he had no knowledge of any payments of money to any government official in an effort to secure paroles of subjects.

Rago said he knew the Capones and many of the so-called mob members through his contacts with them in Cicero, Illinois, during the prohibition era. Rago said he accompanied Ralph Capone on Capone's wedding trip and acted as his front man and that he buried Al Capone. He stated he knows these individuals socially but that he has never inquired into their personal business or means of livelihood, as he considered this their own affair.

Rago said the money advanced for the bond was from his own personal fund, and this money was later returned to him.

Jack Sussman, 716 West Roosevelt Road, part owner of the Roosevelt Cafeteria, and in business at that address for the past seventeen years, admitted furnishing $25,000.00 in cash for the bail bond of Paul DeLucia at the time DeLucia was arrested in 1943 by Federal authorities.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD FILE NO. 58-194

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
Chicago, Illinois	10/9/47	10/8,9/47	ADRIEN L. MEYER (A) ALM:LML

TITLE	CHARACTER OF CASE
LOUIS CAMPAGNA, with aliases, et al	BRIBERY PAROLE MATTERS

SYNOPSIS OF FACTS: Attention: Assistant Director A. ROSEN

CHARLOTTE CAMPAGNA states she knows of no meeting being held at Berrien Springs, Michigan, relative to parole matter. Maintains she only visited PAUL DILLON at St. Louis, Missouri with respect to this matter. Denies knowing Governor GREEN of Illinois, HARRY ASH, MAXWELL or DEMPSEY. Acquainted with no one living in Ligonier, Indiana. Maintains she seldom visited Michigan farm during husband's incarceration. LOUIS CAMPAGNA also denies knowing Governor GREEN, HARRY ASH, MAXWELL or DEMPSEY. JOHN T. DEMPSEY, Public Administrator of Illinois, states he participated in no manner whatsoever in any meeting with respect to the parole matter. Denies receiving any call from Berien Springs, Michigan, with respect to parole matter. Denies any knowledge of parole until subsequent to newspaper publicity. Denies ever discussing parole matter with Governor GREEN. Maintains he has never visited Berien Springs, Michigan, or vicinity at any time. ERWIN W. ROEMER, President, Chicago Bar Association, stated he in no way participated in parole matter. Admits acquaintance with PAUL DeLUCIA only. ROEMER denies being approached by anyone or approaching anyone relative to parole matter. ROEMER disclaims acquaintance with Attorney HUGHES of Dallas, Texas. Governor GREEN states there was no truth to the allegation that a meeting was held in the home of subject CAMPAGNA at Berien Springs, Michigan which he attended, and states it was "utterly ridiculous." Disclaims any knowledge of what HARRY ASH may have done in parole matter.

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APPROVED AND FORWARDED: SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	RECORDED & INDEXED
	204	111

COPIES OF THIS REPORT
3 - Bureau (AMSD)
2 - Washington Field (AMSD)(58-291)
1 - Detroit (AMSD) (Info.)
2 - Chicago

7—2034

Chicago File No. 58-194
ALM:LML

REFERENCES: Report of Special Agent (A) WAYNE S. MURPHY dated October 8, 1947, at Chicago, Illinois.
Letter from the Bureau to Washington Field dated September 22, 1947.

DETAILS: AT CHICAGO, ILLINOIS

RNH:MNW
58-194

DWIGHT H. GREEN, Governor of the State of Illinois, was interviewed at his suite, Room 1718, Union League Club, Chicago, on October 9, 1947, by SAC GEORGE R. MC SWAIN and ASAC RICHARD N. HOSTENY. He was apprised by Mr. MC SWAIN of the fact that this Bureau was conducting the investigation in this matter at the specific request and instructions of the Attorney General and that among the allegations we had received regarding this matter was the one from an anonymous source that Governor GREEN at a meeting allegedly held in the home of subject LOUIS CAMPAGNA at Berrien Springs, Mich., instructed HARRY ASH, Superintendent of the Illinois Crime Prevention Commission, to act as parole adviser for the subjects or at least one of them. It was explained by Mr. MC SWAIN that we had received this allegation and that it was our desire to furnish Governor GREEN with the opportunity of making any statement regarding this allegation that he so desired.

Governor GREEN replied that there was no truth in the allegation and that it was "utterly ridiculous"; that he could not imagine how such an allegation originated. He stated that he did not, of course, know what HARRY ASH may have done in this matter and consequently could not speak for Mr. ASH. He expressed his appreciation for the Bureau's coming to him regarding this allegation and for the opportunity to reply to it.

Chicago File 58-194
AIM:rmb

The following investigation was conducted by Special Agents ROBERT E. RIGHTMYER and ADRIAN L. MEYER:

On October 9, 1947, JOHN T. DEMPSEY, Public Administrator of the State of Illinois, was interviewed at his office, 11 South LaSalle Street, Room 324, Chicago, Illinois. DEMPSEY advised Agents that he had participated in no manner whatsoever with respect to the parole matter presently under investigation by this office. He stated he was first aware of the paroles after the publicity in the local newspapers. DEMPSEY denied ever having been in Berrien Springs, Michigan or having ever been in the vicinity of that part of Michigan. He claimed the only time he had visited in the State of Michigan was when he was vacationing in the morthern peninsula of that state years ago.

DEMPSEY was then specifically questioned as to whether he had received a telephone call from Berrien Springs, Michigan, and he stated there was no occasion for a telephone call from Berrien Springs, Michigan or vicinity or anywhere else in the State of Michigan in connection with the above parole matter. He emphatically denied ever discussing the parole matter with anyone prior to the local newspaper publicity. He did admit, however, having discussed this matter after the paroles were publicized with one HARRY ASH, parole advisor for CHARLES GIOE. DEMPSEY stated that after ASH had testified before the Congressional Committee, ASH personally had contacted him and told him the details of the testimony given before the Congressional Committee and assured DEMPSEY that everything was proper and that he was guiltless. DEMPSEY stated he did not know in advance that HARRY ASH was to be a parole advisor and that he had only learned about this from the local newspapers.

DEMPSEY was again questioned as to whether he was aware of any meeting having taken place in Berrien Springs, Michigan, and he denied knowing that there was any meeting, and if there was such a meeting, it was without his knowledge.

DEMPSEY was questioned as to whether he was acquainted with anyone by the name of MAXWELL allegedly from Ligonier, Indiana. He stated he knew of no MAXWELL from Indiana but was acquainted with DON MAXWELL, Managing Editor of the Chicago Daily Tribune. He believed that DON MAXWELL originally came from the State of Indiana, but could not apprise Agents as to the exact location. He stated, however, that he is personally acquainted with the background of Governor GREEN of Illinois and that he knows Governor GREEN's birth place was Ligonier, Indiana.

Chicago File 58-194
ALM:rmb

DEMPSEY again emphatically denied having ever been contacted by anyone at any time or at any place in connection with the parole matter up to and including the date of the interview by Agents. He was specifically questioned if Governor GREEN had ever contacted him with respect to the parole matter or with respect to the parole advisors of any of the parolees under investigation, and he reiterated his denial.

DEMPSEY was requested to keep this interview in confidence, and he assured Agents he would. He even thanked Agents for the opportunity given him by the FBI to make personally a denial of any knowledge he may have in connection with instant matter.

Chicago File 58-194
ALM:rmb

The following investigation was conducted by Special Agents ROBERT E. RIGHTMYER and ADRIAN L. MEYER:

ERWIN W. ROEMER, President of the Chicago Bar Association and member of the law firm of Gardner, Carton and Douglas, 33 South Clark Street, Room 1430, Chicago, was interviewed on October 9, 1947, at which time he stated he has in no way ever participated in any manner in the parole matter presently under investigation. He stated he was acquainted with only one of the parolees, namely PAUL DE LUCIA, whom he refers to as PAUL RICCA. ROEMER explained that an accident occurred in an elevator in one of the downtown buildings on Wabash Avenue in Chicago at which time PAUL RICCA was a rider. RICCA allegedly experienced some injury in the accident and entered a suit against the insurance company that ROEMER represented. The suit is still pending. ROEMER went on to explain that this is the only connection he has ever had with RICCA, and is not acquainted with any of the other parolees other than what he has read in the newspapers.

ROEMER denied having ever been approached by anyone relative to this parole matter at any time. He stated he has no information whatsoever regarding this parole matter other than what he has read in the local newspapers.

ROEMER was questioned if he was acquainted with an attorney by the name of HUGHES from Dallas, Texas. He stated he did not know any attorney named HUGHES in Dallas, Texas or any other place in Texas.

ROEMER was requested to keep this interview in confidence and he assured Agents that he would.

Chicago File 58-194
ALM:EOD

The following investigation was conducted by Special Agents ROBERT E. RIGHTMYER and ADRIAN L. MEYER on October 8, 1947, at Berrien Springs, Michigan:

CHARLOTTE CAMPAGNA was reinterviewed at their farm home at Berrien Springs, Michigan, at which time she was questioned relative to an alleged meeting held at Berrien Springs, at which meeting Governor GREEN of Illinois was supposed to have attended. She stated she knew nothing of such a meeting being held in Berrien Springs and emphatically stated she never attended a meeting with anyone at any time, except her one visit to PAUL DILLON at St. Louis, Missouri, in connection with the parole matter. She denied that there was ever any meeting whatsoever at Berrien Springs, Michigan, or anywhere else, to her knowledge, with respect to this parole matter.

She stated she has never met Governor GREEN, HARRY ASH, MAXWELL or a party by the name of DEMPSEY. She stated she does not know who MAXWELL or DEMPSEY might be. The only thing she knows about Governor GREEN and HARRY ASH is what she has read in the Chicago newspapers, and she has never discussed the parole matter with anyone except PAUL DILLON, as she had previously stated and which was previously reported. She stated she has never been in Ligonier, Indiana, in Terre Haute, Indiana, or any other town in connection with the parole matter, and the only place to which she had traveled was St. Louis, Missouri, as indicated above. She indicated she was not acquainted with anyone living in Ligonier, Indiana.

LOUIS CAMPAGNA, who was present at the time of the interview, stated he did not know any of the above individuals named and only knew Governor GREEN and HARRY ASH from what he had read in the newspapers. He stated that he did not know who MAXWELL or DEMPSEY might be.

CHARLOTTE CAMPAGNA stated that during her husband's incarceration, she seldom visited the Berrien Springs, Michigan, farm, as it brought back unpleasant memories and she only visited the farm whenever it was absolutely necessary to pay bills.

Both CHARLOTTE and LOUIS CAMPAGNA were quite surprised that Agents should travel to Berrien Springs to inquire about the alleged meeting. They thought Agents were being facetious in asking about such a meeting occurring in Berrien Springs, Michigan, at which meeting the Governor of the State of Illinois allegedly had attended. Both stated, "You're joking," about this matter. Both said that this whole idea was absurd and wondered who else's name would be "dragged into the mess next."

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ALM:EOD

Both CHARLOTTE and LOUIS CAMPAGNA were requested not to discuss with anyone the alleged fact that Governor GREEN had attended a meeting at Berrien Springs. They were requested not to discuss the details of this interview with anyone, and both stated that they would not repeat anything relative to this interview or the meeting supposedly held at Berrien Springs, Michigan.

- P E N D I N G -

Chicago File No. 58-194
ALM:LML

UNDEVELOPED LEADS

THE CHICAGO OFFICE

At Chicago, Illinois:

Will consider the advisability of reinterviewing JOSEPH I. BULGER, 134 North Clark Street, after interview with ANTHONY ACCARDO concerning the use of his name by ACCARDO, and for any information in connection with instant paroles.

At River Forest, Illinois:

Will interview ANTHONY ACCARDO, 1334 North Ashland Avenue, in regard to his using the name of JOSEPH I. BULGER while visiting DeLUCIA and CAMPAGNA while they were incarcerated at Leavenworth.

Will also interview ACCARDO for any knowledge he may have in connection with the securing of the paroles of these subjects.

THE DETROIT OFFICE

One copy of this report is being furnished the Detroit Office for information relative to the interview conducted in their territory on October 8, 1947, with CHARLOTTE CAMPAGNA, wife of subject LOUIS CAMPAGNA. The Bureau telephonically contacted the Chicago Office and requested that CHARLOTTE CAMPAGNA be reinterviewed immediately, whereupon Agents of the Chicago Office learned that she was still in Berien Springs, Michigan, and, as a matter of expediency, proceeded there and interviewed her.

- P E N D I N G -

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: OCT. 10, 1947

FROM : SAC, CHICAGO

ATTENTION: Assistant Director A. ROSEN

SUBJECT: LOUIS CAMPAGNA, WAS, ET AL
BRIBERY--PAROLE MATTER

Attached are clippings from Chicago newspapers relative to the captioned case.

Encl.

GRM:MNW

RECORDED 58-2060-205

FBI

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Parole Quiz To Bare Ash Letters

The letters of Harry A. Ash, Illinois director of crime prevention, to the Federal Parole Board were to be revealed today in the inquiry over the "springing" of four Capone gangsters.

The correspondence, according to Daniel M. Lyons, parole board chairman, shows Ash was willing to act as parole adviser to Charles "Cherry Nose" Gioe.

In it, Ash also expressed belief that the hoodlum could be turned into a good citizen, Lyons said.

* * *

THE ASH angle bobbed up again when the congressional committee investigating the paroles summoned Lyons to an afternoon session in Washington today.

Representative Hoffman (Rep., Mich.) committee chairman called Lyons to explain apparent criticism of the committee's actions at its hearing in Chicago.

Lyons asserted that although he had put two of Ash's letters and a document in the hands of the committee here, they were not made public here, although other records were revealed.

* * *

IN HIS OWN testimony here, Ash said he had informed the parole board of willingness to help Gioe if his disqualification as an attorney was waived.

A formal waiver was never received by him, and for that reason he refused to become adviser, Ash testified.

James V. Bennett, director of the Federal Bureau of Prisons, visited Chicago today and conferred with U.S. Attorney Otto Kerner Jr.

He denied that the conference had anything to do with the paroles of Gioe, Louis "Little New York" Campagna, Pal "The Waiter" De Lucia (alias Ricca) and Philip D'Andrea.

* * *

HE SAID he expected to receive soon a report from the F.B.I. on its investigation of the paroles. The F.B.I. office here was reported carrying on an intensive inquiry.

"Will you ask the attorney general to prosecute if evidence develops?" he was asked.

"I will if it is necessary," he replied.

Bennett said he was convinced that the letter of the Atlanta Prison warden charging "money is being used" for the transfer of three of the hoodlums referred to legal fees and not bribes.

CHICAGO DAILY NEWS
Oct 6, 1947
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Probers Bare Letters by Ash Urging Parole for Hoodlum

Acquaintance With Gioe Told

From Our Washington Bureau.

WASHINGTON—The two letters of Harry A. Ash to the federal parole board, urging the parole of Charles "Cherry Nose" Gioe, Capone gangster, were revealed here today before a House investigating committee.

In the letters, Ash, Gov. Green's chief of crime prevention, said he had known Gioe for 30 years and asserted he had "an excellent reputation . . . and as far as I learned never had a record of any kind."

* * *

DURING the committee's hearing, Representative Busby (Rep.) of Chicago announced that Ash has submitted his resignation to Gov. Green.

(A spokesman for Gov. Green said that Ash's resignation had been received and that it will be accepted. At Ash's home in Chicago, he was said to be "on a vacation.)

Representative Clare Hoffman (Rep., Mich.), committee chairman, announced full-dress hearings in the parole inquiry will be resumed when the F.B.I. reports on its investigation.

Hoffman said J. Edgar Hoover, F.B.I. chief, wrote him the report will be submitted to Attorney General Clark within 10 days.

Asked whether he expected to get the report from Clark, Hoffman said pugnaciously: "We'll get it."

* * *

SOME sessions of the new hearings may be held in Chicago, where they were staged earlier, Hoffman added.

The committee head also said he has subpoenaed the visitor's book at Leavensworth Prison, where Paul "The Waiter" Delucia, alias Ricca, was said to have had mysterious visitors who gave false signatures.

Among witnesses to be called are the four paroled hoodlums, the entire Federal Parole Board and possibly the wardens of Atlanta and Leavenworth prisons.

Ash's letters, along with those of all who sponsored the "springing" of the hoodlums, were read into the record at the committee hearing.

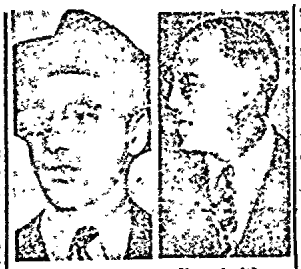
All expressed belief that the hoodlums — Gioe, Delucia, Louis "Little New York" Campagna and Philip D'Andrea—would become good citizens.

The four were paroled after they served a third of their 10-year sentences for a $1,000,000 extortion plot in the movie industry.

* * *

THE LETTERS of the sponsors were brought before the committee by Daniel M. Lyons, chairman of the parole board, who was subpoenaed for the appearance.

The first Ash letter, dated May 3, 1947 and addressed to the parole board, read:



Charles Gioe. Harry A. Ash.

"I am interested in the rehabilitation of the above-named subject [Gioe]. I have known Gioe for a period of approximately 30 years.

"Many years ago in Chicago my father-in-law, Frederick E. Erickson, was Republican ward committeeman of the old 31st ward in Chicago, which was located in the vicinity of Austin av., Grand av., Chicago av. and Milwaukee av.

* * *

"THIS AREA, now described as 'a blighted area,' was populated mainly by citizens in the lower income groups, where the struggle to get ahead was difficult and ever-present.

"As a political secretary of my father-in-law's ward organization, I came into contact with many of the young men of the neighborhood, including Charles Gioe.

"I knew him then as a young man of good reputation.

"Many years later, in 1939, I became a resident of the Seneca Hotel, 200 E. Chestnut st., in Chicago. By coincidence, Mr. Charles Gioe was my neighbor in the same hotel, residing there with his wife, Alberta, and his daughter, Gloria, who is now a student in a Catholic parochial high school.

"They were well regarded in our neighborhood and Mr. Gioe had an excellent reputation. He was temperate as to habits and as I learned never had a record of any kind.

"I do not hesitate to state unequivocally that I would be very willing to assist in his rehabilitagranted to him.

"I am willing to state this because in my mind he is a subject worthy of rehabilitation.

* * *

"IT MAY BE that I am prompted by reasons of sentiment because I have known him for so many years and because my father-in-law, Fred Erickson, who helped me secure an education and a start in life, was also very fond of Charles Gioe.

"I know that he would want me to help Charles Gioe if I could.

"Within the purview of my work I had many occasions to observe men like Charles Gioe being rehabilitated and I am willing to help in this cause when I think it serves the community and the subject.

"This is a case which appeals to me particularly as one in which both the community and the subject would be served for the common good."

* * *

ON MAY 27, 1947, Ash wrote to D. L. Yeagley, superintendent of classification and parole on the federal board, stating his willingness to act as Gioe's parole adviser.

With the letter went a filled-out application form for that role.

* * *

THE LETTER reads:

"I will gladly act as his parole adviser in the event of his parole. Therefore I am enclosing Form 15 properly filled out and certified.

"However, I am calling your attention to the following. By profession I am a lawyer.

"Your qualifications as parole adviser read as follows: 'He must not be a relative, lawyer, employer or arresting officer.'

"Does the fact that I am a lawyer preclude me from acting as parole adviser? I am hoping that it does not and that an exception will be made in my case.

* * *

"AS A LAWYER I specialize only in matters of taxation, particularly inheritance tax and corporation tax problems, and I feel that I have the proper background to serve as a parole adviser.

"I am superintendent of the division of crime prevention of the State of Illinois and we office together with the division of supervision of paroles.

"Our office handles the supervision of thousands of parolees, supervises activities and reports any violations if they occur.

* * *

"I HAVE RIGHT on hand all the machinery to effectuate the type of work. This is all part of our office routine and something with which I am in daily contact.

"From a personal standpoint I have known Charles Gioe for more than 30 years and have a sincere desire to see him reestablished as a good citizen, valuable to the community, to his wife and daughter and to himself.

"I am asking you to waive the fact that I am a lawyer in the event that your rules so permit and allow me to act as parole adviser in this case.

"In any event I will gladly assist in formulating a parole plan and will aid in any way possible."

* * *

LYONS asserted that Ash's profession as lawyer was waived in the qualifications, and that he was accepted as Gioe's adviser.

At the committee's Chicago hearing, Ash testified that he had not accepted the job because he was not formally informed by the board.

Lyons, however, asserted that Ash need have been notified only by Gioe of the acceptance as adviser.

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Ash out; bare parole letters

A congressional subcommittee record today blazed with the letters of Harry A. Ash, who went to bat for Charles (Cherry Nose) Gioe of the Capone syndicate.

Ash resigned yesterday as Gov. Green's Superintendent of Crime Prevention shortly before the two letters he wrote in behalf of Gioe's parole from a U.S. penitentiary were read into the record.

Gioe was released with three other Capone gangsters who were serving 10-year sentences for a million dollar extortion plot against the movie industry. The congressional committee, spurred by demands of Rep. Busbey (R.-Ill.), is investigating the paroles granted Gioe, Louis (Little New York) Campagna, Philip D'Andrea and Paul (The Waiter) Ricca, alias De Lucia.

Daniel M. Lyons, new chairman of the Federal Parole Board, made public the two letters written by Ash after observing that Ash had "backed out" as Gioe's parole adviser.

Lyons said it was "a despicable thing" for Ash to back out of his offer. Then Lyons produced letters written by Ash.

One dated May 3, 1947, pointed out that Ash had known Gios for 30 years and that Gioe "had an excellent reputation."

Three weeks later, Ash wrote the Federal Parole Board: "I will gladly act as his parole adviser in the event of his parole. . . . However, I am calling your attention to the following. By profession I am a lawyer.

"Your qualifications as parole adviser read as follows: 'He must not be a relative, lawyer, employer, or

quires mark-up of at least o per cent.

arresting officer.'

"Does the fact that I am a lawyer preclude me from acting as parole adviser? I am hoping that it does not and that an exception will be made in my case. . . . I am asking you to waive the fact that I am a lawyer in the event that your rules so permit and allow me to act as parole adviser in this case.

"In any event I will gladly assist in formulating a parole plan and will aid in any way possible."

Ash, Gov. Green and T. P. Sullivan, state Director of Public Safety who accepted Ash's resignation, were not available for comment.

CHICAGO DAILY TIMES

Dec 8, 1947

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PAROLES PLAC[E] MOBSTERS IN AN EXCLUSIVE SET!

Only 8% of U. S. Inmates Get Freedom Early

BY JAMES DOHERTY
(Chicago Tribune Press Service)

Washington, Oct. 7—Rep. Busbey [R., Ill.] today called the attention of his fellow members of a house subcommittee to the fact that four Capone gangsters of Chicago recently given paroles were in an exclusive prison set. Busbey said the four were in the 8 per cent of federal prison inmates released early in their eligibility period.

Busbey told the members of the congressional group, headed by Rep. Hoffman [R., Mich.] that the Chicago public enemies—Paul Ricca, Louis Campagna, Phil D'Andrea, and Charles Gioe—likewise were happily in the 45 per cent of federal prisoners lucky enough to get paroles at any time. The subcommittee is investigating the paroles, handed to the four men after they had served only one-third of their 10 year prison terms.

Busbey, who represents a portion of Chicago's south side, also informed his colleagues that Charles Gioe, held to be a mystery man by some federal officials, was in 1943 one of the owners of the Don the Beachcomber restaurant and bar on the near north side. This was at the time Gioe and the others were convicted in New York of extorting over $1,000,000 from moving picture companies.

Political Connections

As a partner in Don the Beachcomber, Gioe was close to the management of another Chicago bright spot whose owners were also partners in the Beachcomber restaurant, it was explained. And that management had political connections.

Parole Board Chairman Daniel M. Lyons today reminded the congressmen that they had not examined Gioe at a recent hearing in Chicago. Lyons had insisted, Hoffman said, that Harry A. Ash, a Chicago Republican the government listed as Gioe's "parole adviser," be questioned again, and that Ash's letters to the parole board be made public.

Some of the members of the subcommittee said Lyons was trying to "sidetrack" the investigation of paroles as well as of pardons and commutations. That would be done thru diverting the congressmen's attention to Ash and Gioe, they said.

Ash Quits Post

Ash sent word he had resigned his Illinois state job as crime prevention superintendent so as not to impede the parole inquiry.

The spotlight was then turned on Gioe.

"Do you want us to call him [Gioe], here?" Chairman Hoffman asked Lyons.

"No," said Lyons, who until a month ago was in charge of recommendations for pardons and commutations for federal convicts.

"Do you want us to subpena Ash?" Hoffman asked.

A "Despicable" Thing

"No," said Lyons. "I wanted to get his letters read into the record. It was a despicable thing for him to back out of his offer to act as Gioe's parole adviser."

Lyons then read the letters into the record.

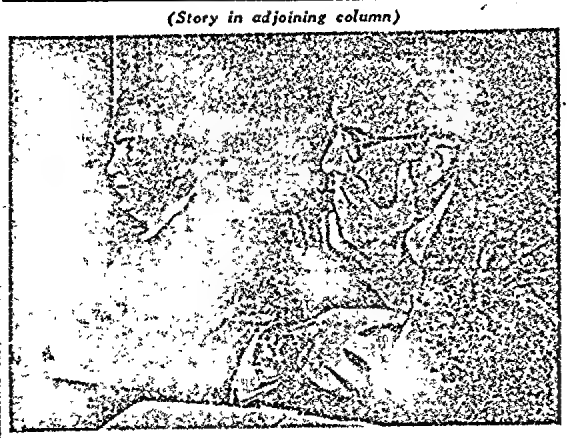
Chairman Hoffman informed his colleagues that the federal bureau of investigation soon would conclude its inquiry into the paroles but that unless President Truman so ordered it appeared doubtful that the FBI report would be made public.

"We want to find out more about Gioe," Hoffman said in summing up what is still to be done. "We want to find out about the visits to Ricca in prison by the Chicago gang-boss, Tony Accardo. We want to find out the connection of Atty. Joseph Imburgio Bulger with the tax settlements for the gangsters."

Rep. Busbey said, "We want to inspect prison records and question the parole board members before we go into the pardon inquiry."

Parole Chief at I[illegible]g

(Story in adjoining column)



Daniel M. Lyons (left), federal parole board chairman, and James V. Bennett, director of federal prisons, waiting yesterday to testify before house subcommittee investigating paroles granted four Chicago hoodlums. [Acme Telephoto]

CHICAGO DAILY TRIBUNE
Oct 8, 1947

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GOV. GREEN'S AID OUT IN PAROLE SCANDAL!

Lyons Bares Two Letters Backing Gioe

[Text of letters on Page 22.]

The notorious scandal involving the parole of four Capone hoodlums yesterday blew Harry A. Ash out of his job as Gov. Green's state superintendent of crime prevention.

Ash submitted his resignation at 11 a.m. and it was promptly accepted by T. P. Sullivan, state director of public safety.

During the congressional hearing here last month, Ash, a Republican leader of the 42d ward, admitted that he had intervened with the federal parole board in behalf of Charles "Cherry Nose" Gioe, a suave public enemy, who was once a gun-slinger for "Scareface Al" Capone.

Federal parole authorities said that Ash had agreed to serve as

[See ASH, Page 23, Col. 1.]

CHICAGO SUN
Oct 8 1947

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Green Aid Quits Post in Parole Probe

(ASH, from page 1.)

Gioe's parole adviser, but this Ash denied.

Telegram Quoted

Ash's telegram of resignation said:

"The investigation of federal paroles by the congressional committee is being hampered by false issues. I submit my resignation as superintendent of crime prevention in which position I tried to render good service to the state of Illinois.

"The purpose of my resignation is to facilitate the investigation so that every fact connected with these paroles is revealed and so that every person mentioned in this connection appear before the congressional committee and testify as I did."

Gioe a 'Silent' Man

CHARLES (CHERRY NOSE) GIOE for years was one of the "silent men" of the Capone syndicate.

Now 46, he is said to have been a gunner for the Capone mob as a youth when he lived in the neighborhood of Grand Ave. and Morgan St. In later years he acquired some veneer by reading much and becoming a habitual first nighter at theaters and fashionable night spots.

Although he remained in the background, Gioe generally was known as a "commission man," a taker of bets too big for the bookies to handle. In 1930, he was arrested and later freed in connection with the murder of three persons in a beer racket war in Fox Lake, Ill.

HARRY ASH

Ash Not Available

Ash was not available for comment. His office said he had left town for a vacation.

In Ash's testimony before the congressional committee here, he denied that he ever accepted appointment as Gioe's adviser or ever received any money in connection with Gioe's release.

Ash Letter Presented

But at the committee hearing in Washington yesterday, Daniel M. Lyons, chairman of the U. S. Parole Board, accused Ash of "backing out" on an offer to serve as parole supervisor for Gioe and called it a "despicable thing."

Lyons presented letters he said the parole board received on behalf of the men. One, dated last May, was from Ash. In it, Ash urged a parole for Gioe and said "I will gladly act as his parole adviser." He said he had known Gioe 30 years ago and that Gioe had an "excellent reputation."

But after Gioe was released, Lyons said, Ash refused to act as his parole supervisor, saying that he had not been officially advised by the parole board whether he was eligible to serve.

Action Called "Despicable"

Lyons called this "an insincere and disingenous excuse," adding that "for Ash to back out was to my mind a despicable thing."

In his last letter to the parole board, dated May 27, 1947, Ash pleaded that he be permitted to serve as Gioe's adviser, asking the board to waive its rule prohibiting lawyers from performing this duty. The board granted his request.

Request in Letter Quoted

"Doesn't the fact that I am a lawyer preclude me from acti parole adviser?" he asked. hoping that it does not and th exception will be made in my ase."

The four hoodlums were par ed in August after serving one-urd of 10-year sentences imposed for conspiracy to extort $1 million from the motion picture industry. Others whose paroles are being investigated are Louis (Little New York) Campagna, Philip D'Andrea and Paul Lucia, better known as Paul (Walter) Ricca.

CHICAGO SUN
Oct 8, 1947

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Texts of Letters From Green's Aid Urging Gioe Par

Texts of two letters written by Harry A. Ash, who resigned yesterday as Gov. Green's superintendent of crime prevention, in which he urged a parole for Charles (Cherry Nose) Gioe, Capone hoodlum, were released in Washington yesterday by Daniel M. Lyons, chairman of the federal parole board.

The first letter, dated May 3, 1947, and addressed to the parole board, said:

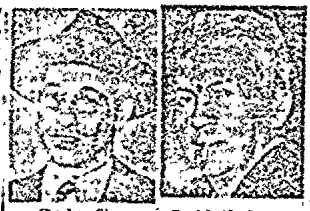
"I am interested in the rehabilitation of the above-named subject (Gioe). I have known Gioe for a period of approximately 30 years.

G.O.P. Connection Cited

"Many years ago in Chicago my father-in-law, Frederick E. Erickson, was Republican ward committeeman of the old 31st Ward in Chicago, which was located in the vicinity of Austin Ave., Grand Ave., Chicago Ave. and Milwaukee Ave.

"This area, now described as 'a blighted area,' was populated mainly by citizens in the lower income groups, where the struggle to get ahead was difficult and ever-present.

"As a political secretary of my father in law's ward organization, I came into contact with many of



Charles Gioe — Daniel M. Lyons

the young men of the neighborhood, including Charles Gioe.

Man of 'Good Reputation'

"I knew him then as a young man of good reputation.

"Many years later, in 1939, I became a resident of the Seneca Hotel, 200 E. Chestnut St., in Chicago. By coincidence, Mr. Charles Gioe was my neighbor in the same hotel, residing there with his wife, Alberta, and his daughter, Gloria, who is now a student in a Catholic parochial high school.

"They were well regarded in our neighborhood and Mr. Gioe had an excellent reputation. He was temperate as to habits and as I learned never had a record of any kind.

Ash 'Willing to Assist'

"I do not hesitate to state unequivocally that I would be very willing to assist in his rehabilitation if a parole was granted to him.

"I am willing to state this because in my mind he is a subject worthy of rehabilitation.

"It may be that I am prompted by reasons of sentiment because I have known him for so many years and because my father in law, Fred Erickson, who helped me secure an education and a start in life, was also very fond of Charles Gioe.

"I know that he would want me to help Charles Gioe if I could.

Cause Serves Community

"Within the purview of my work I had many occasions to observe men like Charles Gioe being rehabilitated and I am willing to help in this cause when I think it serves the community and the subject.

"This is a case which appeals to me particularly as one in which both the community and the subject would be served for the common good."

Ash wrote on May 27, 1947, to D. L. Yeagley, superintendent of classification and parole on the federal board, saying he was willing to serve as Gioe's parole adviser. Attached was a filled out application form for the task.

This letter read:

"I will gladly act as his parole adviser in the event of his parole. Therefore I am enclosing Form 15 properly filled out and certified.

Profession is Cited

"However, I am calling your attention to the following. By profession I am a lawyer.

"Your qualifications as parole adviser read as follows: 'He must not be a relative, lawyer, employer or arresting officer.'

"Does the fact that I am a lawyer preclude me from acting as parole adviser? I am hoping that it does not and that an exception will be made in my case.

"As a lawyer I specialize only in matters of taxation, particularly inheritance tax and corporat problems, and I feel that I l proper background to ser parole adviser.

"I am superintendent of t sion of crime prevention State of Illinois and we offic gether with the division of vision of paroles.

"Our office handles the vision of thousands of p supervises activities and any violations if they occu.

"I have right on hand, machinery to effectuate th of work. This is all part office routine and somethi which I am in daily contac

Knew Gioe 30 Years

"From a personal standp have known Charles Gioe fo than 30 years and have a desire to see him re-establis a good citizen, valuable to th munity, to his wife and da and to himself.

"I am asking you to wai fact that I am a lawyer i event that your rules so perm allow me to act as parole a in this case.

"In any event I will glad sist in formulating a parol and will aid in any way pos

CHICAGO SUN

Oct 8, 1947

Ash Quits Under Fire In Hoodlum Probe

Letters by State Crime Boss Urging Parole Read at Quiz

Illinois was without a director of crime prevention today following the resignation of Harry A. Ash, 42d ward Republican, after his letters pleading for a hoodlum's parole were revealed in Washington.

Charles "Cherry Nose" Gioe, the paroled hoodlum, was one of four released after serving the minimum time on 10-year sentences imposed for a million-dollar extortion of motion picture producers.

* * *

CHARGES OF political partisanship were hurled yesterday when Daniel M. Lyons, new chairman of the Federal Parole Board, succeeded in reading two of Ash's letters into the record of a congressional subcommittee at Washington.

The committee, headed by Representative Hoffman (Rep., Mich.), was probing the "quickie" paroles of Gioe, Paul Delucia, alias Ricca, Phil D'Andrea and Louis Campagna.

Further sessions of the committee are expected to hear members of the board that paroled the hoodlums, and possibly wardens of Atlanta and Leavenworth Penitentiaries.

* * *

REPRESENTATIVE BUSBEY (Rep., Ill.) expressed interest in the visitor's book at Leavenworth, which he said may contain fictitious signatures of prominent visitors.

Tony Accardo, Chicago gang chieftain, was said to have been one of these visitors.

Lyons charged yesterday that Hoffman had been shielding Ash, a fellow-Republican.

* * *

IN HIS LETTERS, Ash asked for Gioe's release, pointing out his "excellent reputation" and declaring that he was a "subject worthy of rehabilitation."

Ash cited his friendship with Gioe when both lived in the old 31st ward, where Ash served his father-in-law's political organization.

He offered his services as parole adviser—although he denied later that he ever served—and pointed out that the services of his state office would be available to help the hoodlum.

* * *

REPRESENTATIVE BUSBEY declared yesterday the paroled hoodlums were among a bare 8 per cent of Federal prisoners paroled in the minimum time.

No restitution of the extortion money was ever made, although the government has settled tax claims on the hoodlums' monies. They are all reportedly wealthy men.

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Oct 8, 1947

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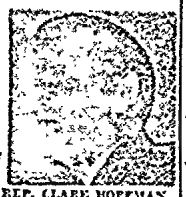
Charge Gag on U. S. Aids in Parole Quiz

Hoffman Lashes Clark 'Silence'

DANIEL M. LYONS | ATTY. GEN. CLARK | HARRY A. ASH | J. EDGAR HOOVER | JAMES V. BENNETT | BORIS KOSTELANETZ

WASHINGTON, Oct. 8.—Rep. Clare Hoffman (R) of Michigan charged today that heads of almost all federal executive departments are conspiring to withhold from Congress documents and data to which it is entitled in its investigation of the parole of four Chicago Guzik-Capone syndicate hoodlums.

Lashing out especially at Attorney General Clark and Daniel M. Lyons, chairman of the federal parole board, Hoffman promised he would use his full powers to obtain co-operation of executive officials with Congress.


REP. CLARE HOFFMAN

Hoffman is chairman of the powerful House committee on expenditures and executive departments and also head of a subcommittee investigating the paroles.

BEFORE FULL GROUP

He said that when the full committee of 25 members meets in January he will lay before it the matter of "abuse and obstruction from executive departments" for action. He added:

"Whether that action will come in the form of contempt proceedings against certain top executive officials will be for the committee to decide."

Hoffman charged efforts were being made "all along the line" to block the subcommittee's efforts to learn why the four mobsters were paroled from federal prisons.

WATCHED BY INTERESTS

At hearings on civil service matters, he said, the full committee had uncovered the fact that many in Washington, including congressmen, were being watched by powerful interests. He asserted:

"We congressmen do not object to reports being made about us to anyone, but members of my committee do object to abuse and efforts of top executives to withhold information from us.

"Important witnesses are being gagged. FBI Director J. Edgar Hoover refuses to give us his opinion about paroles granted the four Guzik-Capone gang chiefs until Attorney General Clark gives him an okay.

"Former Federal Attorney Boris Kostelanetz, who vigorously prosecuted the mobsters and sent them to prison, also won't talk until Clark gives his consent.

"Heads of other executive departments also are balking at giving us information. Our committee intends to find out just how much power Congress has."

CITES DEMAND

He said Parole Board Chairman Lyons had demanded that Harry A. Ash, resigned superintendent of the Illinois division of crime prevention, and Charles (Cherry Nose) Gioe, one of the four hoodlums, be summoned before the committee for questioning concerning Gioe's parole. He said:

"We agreed to this, but while we were busy with other matters yesterday he released three letters from Ash, a Chicago Republican. One of the letters urged a parole for Gioe and said Ash would serve as Gioe's parole adviser.

"Now Ash has resigned as Illinois crime prevention superintendent, but Lyons was just drawing a red herring into the matter."

THE CHICAGO AMERICAN
Oct 8, 1947

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H. T. Halfpenny succeeds Ash

Harold T. Halfpenny, of Streator, today took over as acting superintendent of the Illinois Crime Prevention Bureau. He replaces Harry A. Ash, who resigned as a result of a congressional investigation of his support of a parole for Charles (Cherry Nose) Gioe, freed Capone gangster.

H. T. Halfpenny

Ash, who resigned Tuesday, went into hiding. Gov. Green, who appointed Ash, also has been unavailable for comment.

T. P. Sullivan, director of the Illinois Public Safety Department, announced Halfpenny would take over the post and will serve until a new superintendent is appointed.

Halfpenny has been division superintendent.

Gioe and three other Capone gangsters were released from Leavenworth penitentiary while serving 10-year sentences for a million-dollar extortion plot against the movie industry. A House committee has been investigating the paroles.

CHICAGO DAILY TIMES

10-9-47

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PAROLE INQUIRY FAR FROM DONE, PROBERS ASSERT

Aid Who 'Carried Load' for Clark Resigns

BY JAMES DOHERTY
[Chicago Tribune Press Service]

Washington, Oct. 8—The resignation of Douglas W. McGregor, assistant to Atty. Gen. Clark, was announced today. McGregor is the man to whom Clark referred all requests of a congressional committee for records on the paroles of four Chi gangsters and for data on pardons and commutations of criminal sentences by President Truman.

Douglas W. McGregor

Not until yesterday did McGregor supply the congressmen with some of the facts they sought on the release of the gangsters, who bludgeoned a million dollars from the moving picture industry, were sentenced to 10 years in prison, and paroled in August after serving only one-third of their sentences.

Truman Action Sought

Rep. Hoffman [R., Mich.] chairman of a subcommittee of the house committee on expenditures in executive departments, which has been investigating the paroles, said in a statement:

"I have asked President Truman to order the department of justice to give the congressional committee the information sought. In view of the fact his name has been connected with the Capone gang paroles, I feel he should insist that nothing be kept from us."

Hoffman and Rep. Busbey [R., Ill.], another leader in the effort to find out why the Chicago public enemies—Paul Ricca, Louis Campagna, Phil D'Andrea and Charles Gioe—were paroled, said McGregor could not be charged with blocking their efforts. It was obvious, the congressman said, that McGregor was merely carrying the load for Clark."

Recal[illegible]ark Statement

"Mr. [illegible]G. [illegible]or had nothing to do with [illegible] paroles, nor with the pardo[illegible]e seek to investigate," Busbey asserted. "Atty. Gen. Clark has taken the same stand in these matters that he did when information was sought two years ago concerning Truman's granting clemency to James J. Gavin, an Indiana gambler. Clark and his pardon adviser, Daniel M. Lyons, who is now head of the parole board, joined in the statement:

"'Federal pardons are a matter of interest only to the government and the beneficiary.'"

McGregor, in a letter of resignation to President Truman, said that "illness in my immediate family necessitates my return to Texas." Clark announced that Peyton Ford, head of the justice department claims division, will become his acting assistant.

Hoffman and Busbey, who are aided by the parole inquiry by Representatives Hardy [D., Va.] and Snyder [R., W. Va.], said there still is considerable probing to do about the Capone gang paroles before they start on the pardons which were handled by Lyons, Clark, and Truman. Atty. Paul Dillon of St. Louis, a pal of President Truman, handled both paroles and pardons, the congressmen said, and all of them are to be studied.

"The resignation of McGregor will not slow us up," said Hoffman. "The resignation of T. Webber Wilson, chairman of the parole board at the time the Chicago gangsters were freed, started a parade."

CHICAGO DAILY TRIBUNE

Oct 9, 1947

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 1 1947

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Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

WASHINGTON AND WASHINGTON FIELD 18 FROM CHICAGO 10-26 PM JEZ

DIRECTOR AND SAC, WASHINGTON FIELD URGENT

LOUIS CAMPAGNA, WAS. ETAL, BRIBERY PAROLE MATTER. GEORGE D. CHERONES, ONE NAUGHT FIVE NORTH CLARK STREET, A REAL ESTATE AND LOAN AGENT, ADVISED THAT HE POSTED FIVE THOUSAND DOLLAR BOND FOR A CLIENT SAM RINELLA, SEVEN SEVEN FIVE SOUTH CHAPPEL AVENUE. THE MONEY WAS BROUGHT TO HIS OFFICE BY RINELLA WHO INSTRUCTED CHERONES TO TAKE THE FIVE THOUSAND DOLLARS CASH AND CONVERT IT INTO A CERTIFIED CHECK. THE FIVE THOUSAND DOLLARS WAS TO BE USED ON THE BOND OF RALPH PIERCE. CHERONES STATED THAT HE TOOK THE CERTIFIED CHECK TO THE LAW OFFICE OF JOSEPH IMBURGIA PARENTHESES BULGER PARENTHISIS, ONE THREE NINE NORTH CLARK STREET AND THAT THE LAWYER INSTRUCTED HIM TO TAKE IT TO THE AMERICAN CASUALTY COMPANY TO PUT ON THE BOND OF RALPH PIERCE. CHERONES ADVISED THAT HE HAD RECEIVED A RECEIPT FOR THE MONEY AND STATED THAT ALL CONVERSATION REGARDING THESE TRANSACTIONS BETWEEN RINELLA AND HIMSELF OCCURRED IN HIS OFFICE. CHERONES STATED THAT HE WAS REPAID THE FIVE THOUSAND DOLLARS FROM THE MANUFACTURERS INSURANCE COMPANY ON JUNE TWENTY-ONE, NINETEEN FORTY FOUR WITH A CHECK. HE WAS NOTIFIED BY PHONE BY THE INSURANCE COMPANY TO PICK UP THE CHECK AT THEIR OFFICE. CHERONES THEN STATED HE TURNED THE MONEY BACK TO RINELLA WITH TWO CHECKS TOTALING TWO THOUSAND NINE HUNDRED TWENTY DOLLARS AND FORTYFIVE CENTS, ONE CHECK TO STEPHEN AND MARGARET BAILEY FOR ONE THOUSAND DOLLARS IN PAYMENT OF A HOUSE RINELLA BOUGHT AND THE REAMINDER IN CASH. CHERONES ADVISED HE RECEIVED NO REMUNERATION OF ANY SORT AS HE DID IT AS A FAVOR FOR RINELLA. CHERONES ADVISED THAT HE DID NOT KNOW IF RINELLA CONTRIBUTED TO ANY TAX SETTLEMENTS OF THE SUBJECTS B

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HE DOUBTED IT. HE FURTHER ADVISED THAT HE DID NOT KNOW ANY OF THE SUBJECTS AND KNEW NOTHING OF BERNSTEIN OUTSIDE OF WHAT HE READ IN THE PAPERS. WALTER THOMAS NOVAK INTERVIEWED AND ADVISED THE FOLLOWING SOME TIME IN NINETEEN FORTYTHREE, THE EXACT DATE HE CANNOT RECALL, NOVAK WITHDREW TWENTYFIVE THOUSAND DOLLARS FROM HIS PERSONAL BANK ACCOUNT AT THE CICERO STATE BANK, PURCHASED A CASHIER'S CHECK IN THAT AMOUNT AND USED THIS AMOUNT TO COVER A PORTION OF THE BOND OF LOUIS CAMPAGNA. NOVAK STATED HE COULD NOT RECALL THE EXACT DATE BUT THIS TRANSACTION OCCURRED ON THE DATE THAT CAMPAGNA WAS ARRAIGNED BEFORE U. S. COMMISSIONER WALKER AT CHICAGO, ILLINOIS IN FORTYTHREE. NOVAK STATED THAT HE COULD NOT RECALL WHETHER HE TURNED THIS CASHIER'S CHECK OVER TO THE COURT OR WHETHER EXX HE GAVE THE CHECK TO BULGER, AN ATTORNEY IN CHICAGO. HE STATED HE EXX RECEIVED A RECEIPT AT THE TIME HE SURRENDERED THIS CHECK WHICH RECEIPT HE DOES NOT HAVE AT THE PRESENT AND WHICH HE BELIEVES HE SURRENDERED WHEN HE RECEIVED HIS MONEY BACK. SOME TIME LATER, THE EXACT LENGTH OF TIME WHICH HE CANNOT RECALL, BUT WHICH HE BELIEVES WAS LESS THAN A YEAR, HE RECEIVED THE TWENTY FIVE THOUSAND DOLLARS BACK UPON CANCELLATION OF CAMPAGNA'S FUNDXX-BAXX BOND. HE STATED THAT HE COULD NOT RECALL FROM WHOM HE RECEIVED THIS MONEY WHEN IT WAS RETURNED. HE STATED THIS MONEY WAS NOT GIVEN AT ANYONE'S REQUEST; THAT THROUGH CONVERSATIONS WITH OTHERS WHOSE IDENTITY HE CANNOT RECALL AND UNDER CIRCUMSTANCES WHICH HE

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CANNOT RECALL HE LEARNED THAT CAMPAGNA HAD TO PUT UP A HUNDRED THOUSAND DOLLAR BOND. HE STATED THAT HE VOLUNTARILY AND OF HIS OWN FREE WILL OFFERED TO PUT UP TWENTYFIVE THOUSAND DOLLARS OF HIS OWN MONEY TOWARDS THIS BOND. THIS OFFER HE BELIEVES HE MADE TO BULGER. NOVAK STATED THAT HE PUT UP THIS MONEY BECAUSE OF HIS FRIENDSHIP WITH CAMPAGNA WHOM HE HAS KNOWN FOR SEVERAL YEARS. NOVAK STATED HE DID NOT KNOW ANY ATORNEY BY THE NAME OF EUGENE BERNSTEIN BUT STATED IN SEPTEMBER, FORTYSIX HE WAS CONTACTED BY ONE JOE CORNGOLD RELATIVE TO CAMPAGNA-S TAX LIABILITY. HE STATED HE COULD NOT RECALL THE DISCUSSION WHICH TOOK PLACE BETWEEN HIMSELF AND CORNGOLD BUT STATED THAT AS A RESULT OF THIS CONTACT HE TURNED OVER TEN THOUSAND DOLLARS IN CASH OF HIS OWN PERSONAL FUNDS TO CORNGOLD WITH THE UNDERSTANDING THAT CORNGOLD WAS TO USE THIS MONEY IN THE SETTLEMENT OF CAMPAGNA-S BACK TAXES. HE STATED HE DID NOT KNOW OF ANYONE ELSE WHO PUT UP MONEY IN CONNECTION WITH CAMPAGNA-S TAXES AND HE DOES NOT KNOW TO WHOM CORNGOLD TURNED OVER THE MONEY WHICH HE HAD GIVEN CORNGOLD. NOVAK ADVISES THAT HE RECEIVED NO NOTE OR RECEIPT FOR THIS MONEY. HE STATES HE CONSIDERS IT TO BE A LOAN WHICH WILL BE REPAID BY CAMPAGNA. HE STATES HE HAS NOT BEEN REIMBURSED FOR THIS MONEY TO DATE. NOVAK STATED HE KNOWS OF NO IRREGULARITY IN CONNECTION WITH THE PAROLES IN THIS CASE AND HE KNOWS OF NO INDIVIDUALS WHO COULD POSSIBLY HAVE ANY KNOWLEDGE CONCERNING THESE PAROLES. JOE CORNGOLD IS REPORTED TO OWN SEVERAL LARGE BOOKMAKING ESTABLISHMENTS IN CICERO,

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NAMELY THE EL PATIO CLUB. HE IS ALSO REPORTED AT THE PRESENT TIME TO

BE VERY POWERFUL FROM THE FINANCIAL STANDPOINT AND ONE OF THE TOP MEMBERS OF THE GAMBLING SYNDICATEDIN CHICAGO. THE CHICAGO DAILY TRIBUNE OF OCTOBER ONE, FORTYSEVEN, CARRIED AN ARTICLE UNDER A WASHINGTON DATE LINE OF SEPTEMBER THIRTY, FORTYSEVEN IN WHICH IT WAS STATED THAT CAMPAGNA, IN DETAILING HIS PROFITS FROM GAMBLING HOUSES TO THE INCOME TAX AUTHORITIES, SAID THAT HE SHARED THE PROFITS FROM THE EL PATIO AND THE AUSTIN CLUB IN PARTNERSHIP WITH JOE CORNGOD SOMETIMES DESCRIBED AS CICERO'S GAMBLING OVERLORD AND WILLIAM HEENEY, VETERAN CAPONE GANGSTER. NOVAK CLAIMS HE AND JIM VINCENT ARE THE CO-OWNERS OF A TAVERN, BOOKIE AND GAMBLING ESTABLISHMENT LOCATED AT FORTYEIGHT SEVENTEEN WEST SIXTY-FIFTH STREET, CHICAGO, ILLINOIS. HE SAYS HE HAS NO CRIMINAL RECORD EXCEPT SEVERAL ARRESTS FOR SPEEDING AND GAMBLING. WALTER KLAUSCH, FOURTEEN E. WALTON PLACE, ADVISED HE POSTED TEN THOUSAND DOLLARS CASH BOND FROM HIS PERSONAL FUNDS WITH AMERICAN CASUALTY COMPANY FOR CHARLES GIOE AT THE REQUEST OF CHARLES GIOE SOMETIME IN FORTYTHREE, EXACT DATE NOT KNOWN. KLAUSCH ADVISED CHARLES GIOE CONTACTED HIM TELEPHONICALLY AND REQUESTED HIM TO POST SAID BOND BECAUSE HE, CHARLES GIOE, WAS IN DIFFICULTY, BUT GAVE NO EXPLANATION OF THE DIFFICULTY. KLAUSCH FORMERLY REPRESENTED AMERICAN DISTRIBUTING COMPANY AND NOW REPRESENTS WILLIAMS IMPORTERS, LIQUOR DISTRIBUTORS, AND IN THIS CONNECTION MADE THE ACQUAINTANCE AND DEALT WITH CHARLES GIOE WHOM HE HAS KNOWN FOR APPROXIMATELY EIGHT YEARS. ON BASIS OF BUSINESS ASSOCIATION KLAUSCH TOOK PERSONAL FUNDS IN AMOUNT OF TEN THOUSAND DOLLARS CASH FROM SAFETY BOX

IN HIS RESIDENCE AND POSTED SAME WITH AMERICAN CASUALTY COMPANY

AND RECEIVED A RECEIPT THEREFOR, PER INSTRUCTIONS FROM CHARLES GIOE. KLAUSCH ADVISED HE RECEIVED A CHECK FROM THE ASSURANCE COMPANY SHORTLY AFTER THE TRIAL WHICH HE CASHED AT THE FIRST NATIONAL BANK AND THAT HE RECEIVED NO REMUNERATION OF ANY KIND FOR POSTING SAID BOND. KLAUSCH ADVISES HE KNOWS CHARLES GIOE THROUGH BUSINESS ASSOCIATION AND KNOWS RALPH PIERCE CASUALLY, HAVING MET HIM IN SEVERAL TAVERNS. KLAUSCH FURTHER ADVISES HE DOES NOT KNOW BERSTEIN OR ANY OF THE OTHER SUBJECTS AND HAS NEVER BEEN APPROACHED BY ANYONE WITH REGARD TO TAX MATTERS OR LOANS OF ANY KIND IN CONNECTION WITH SUBJECTS AND KNOWS OF NO OTHER CONTRIBUTORS KLAUSCH ADVISED THAT ON ONE OCCASION HE TALKED WITH A MAN NAMED BULGER, WHOM HE MET AT THE COURTHOUSE AND WHO REPORTEDLY REPRESENTED CHARLIE GIOE. GUY DI LEO, FIVE ONE SIX NORTH OGDEN, CONTRIBUTED TEN THOUSAND DOLLARS FROM PERSONAL FUNDS TO BOND OF CHARLES GIOE AT REQUEST OF TONY GIOE SOMETIME IN NINETEEN FORTYTHREE, EXACT DATE NOT KNOWN. TONY GIOE CONTACTED DI LEO AT DI LEO'S TAVERN, SIX SIX SEVEN NORTH OGDEN WITH REFERENCE TO BOND, STATING THAT HIS BROTHER, CHARLES GIOE, WAS INVOLVED IN SOME UNION DIFFICULTY. DI LEO ADVISED THAT ON BASIS OF FRIENDSHIP WITH TONY GIOE, HE OBTAINED CASHER'S CHECK AT NATIONAL SECURITY BANK, MILWAUKEE AVENUE, AND PER INSTRUCTIONS FROM TONY GIOE, TOOK SAME TO AN ATTORNEY, WHOM HE BELIEVES TO BE CALLAHAN, WHO ACCOMPANIED HIM TO AN ASSURANCE COMPANY BELIEVED TO BE AMERICAN CASUALTY COMPANY. NO OTHER CONVERSATIONS WERE HAD OR

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HE DENIES HE RECEIVED ANY INTEREST OR RETURN FOR POSTING OF FIFTEEN THOUSAND DOLLARS. AFTER RALPH PIERCE WAS ACQUITTED IN THE TRIAL OF CASE FIFTEEN THOUSAND DOLLARS WAS RETURNED TO PIERCE BY AMERICAN CASUALTY INSURANCE COMPANY. POSTON PIERCE DENIES HE HAS CONTRIBUED ANY MONEY IN TAX SETTLEMENT CASE OF CAMPAGNA ET AL OR IN ANY OTHER MATTERS. HE ALSO DENIED KNOWLEDGE OF ANYONE ELSE MAKING SUCH CONTRIBUTIONS. HE DENIED KNOWLEDGE OF ANY FUNDS BEING COLLECTED OTHER THAN FOR POSTING OF BOND. POTSON ADMITS KNOWING PHILIP D-ANDREA BUT DENIES HE POSTED ANY MONEY FOR

BOND OF D-ANDREA. DENIES KNOWING ANY OF THE OTHER PAROLEES. ADMITS BEING PERSONALLY ACQUAINTED WITH JACK GUZIK, FICHETTED BROTHERS AND THE LATE AL CAPONE. POTSON FORMERLY OPERATED COLOSINO-S RESTAURANT FREQUENTED BY CHICAGO HOODLUMS AND MEMBERS OF SYNDICATE AND SOLD RESTRAURANT TWO YEARS AGO BECAUSE OF HIS POOR HEALTH. STATES HE WAS PRESIDENT OF THE CORPORATION THAT OWNED RESTAURANT. DENIES ANY PARTICIPATION IN RACKETS OF THE CHICAGO SYNDICATE. POTSON-S TRIAL ON INCOME TAX EVASION HAS BEEN POSTPONED UNTIL JANUARY FIVE, NINETEEN FORTYEIGHT BECAUSE OF HIS HEALTH. HE ALLEGES HE HAS A HEART CONDITION AND A BLOOD CLOT IN RIGHT LEG. HE USES CANE TO WALK. HE ADMITS PLAYING POKER WITH ABBOTT AND COSTELLO OF RADIO AND MOVIE FAME BUT STATES IT WAS A QUOTE TWO DOLLAR AR POKER GAME UNQUOTE. DENIES THAT HE WON EIGHTY THOUSAND DOLLARS AS ALLEGED BY ABBOTT AND COSTELLO. POTSON BORN IN ASIA MINOR, TURKEY EIGHTEEN EIGHTYTHREE DOES NOT RECALL DATE OR MONTH. IS MARRIED AND MAINTAINS BUSINESS RESIDENCE AT NORTH PARK HOTEL, ONE NINE THREE SIX NORTH CLARK, CHICAGO, AND RESIDENCE ADDRESS AT FOUR FIVE THREE TWO WOODLEY AVENUE, ENCINO, CALIFORNIA.

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EXPLANATIONS GIVEN AS TO THE PURPOSE OF SAID BOND. DI LEO ADVISED THAT SOME THREE WEEKS LATER, HE READ ABOUT THE CASE IN THE DAILY PAPERS, THEN WAITED ABOUT A WEEK AND CALLED THE ATTORNEY, BELIEVED TO BE CALLAHAN, AND ADVISED HIM THAT HE WANTED TO WITHDRAW SAID BOND, STATING HE DID NOT WANT ANYTHING TO DO WITH SAID MATTER. ABOUT A DAY OR TWO LATER, DI LEO ADVISED HE OBTAINED HIS CHECK, BUT DOES NOT REMEMBER WHETHER SAME WAS OBTAINED DIRECTLY FROM THE [redacted] ASSURANCE COMPANY OR FROM THE LAWYER IN QUESTION. ON RECEIPT OF CHECK, SAME WAS DEPOSITED TO HIS ACCOUNT IN NATIONAL SECURITY BANK. DI LEO ADVISES NO REMUNERATION OF ANY [redacted] KIND RECEIVED FOR POSTING SAID BOND, AND SAME WAS DONE SOLELY AS A FAVOR TO TONY GIOE. DI LEO ADVISED HE KNOWS NONE OF THE SUBJECTS IN SAID CASE EXCEPT CHARLES GIOE, WHOM HE KNOWS CASUALLY, HAS NEVER HAD ANY DEALING WITH BERNSTEIN OR WARD, HAS NOT BEEN APPROACHED SINCE THE ABOVE INCIDENT IN CONNECTION WITH THIS MATTER OR ANY TAX MATTERS, LOANS OR ANY OTHER PURPOSES, AND IS NOT AWARE OF ANY IRREGULARITY OF ANY KIND IN CONNECTION WITH PAROLES [redacted] OR TAX MATTERS OF SUBJECTS. MICHEL POTSON INTERVIEWED THIS DATE ADMITTED POSTING FIFTEEN THOUSAND DOLLARS OF OWN PERSONAL FUNDS IN CERTIFIED CHECKS WITH AMERICAN CASUALTY INSURANCE COMPANY, CHICAGO, IN MARCH NINETEEN FORTYTHREE. POTSON STATED HE WAS ASKED BY THE ATTORNEY [redacted] FOR RALPH PIERCE TO POST THE EIFTEEN THOUSAND DOLLAR BOND. HE DOES NOT RECALL THE NAME OF ATTORNEY THAT REQUESTED HIM TO POST MONEY. REASON GIVEN BY POTSON FOR POSTING FIFTEEN THOUSAND DOLLARS WAS THAT RALPH PIERCE WAS CUSTOMER IN COLOSIMO'S RESTAURANT AND ALSO BECAUSE OF PERSONAL FRIENDSHIP WITH RALPH PIERCE WHOM HE HAS KNOWN FOR PAST TEN YEARS.

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LOUIS ESPOSITO, OPERATOR OF WEST TOWN FOOD MARKET, MELROSE PARK, AND OTHER PRODUCE STANDS CHICAGO AREA, WITH OFFICES AT EIGHT FIVE NAUGHT SOUTH HALSTED, ADVISED HE CONTRIBUTED FIVE THOUSAND DOLLARS BY CASHIERS CHECK FOR BOND OF PAUL RICCA. ESPOSITO STATED HE WAS REQUESTED TO ASSIST IN FURNISHING BOND FOR RICCA BY MRS. RICCA. HE CLAIMS ACQUAINTANCE OF RICCA FAMILY THROUGH DELIVERY OF PRODUCE TO THEIR HOME. ESPOSITO UNABLE TO IDENTIFY TO WHOM BOND MONEY WAS PAID BUT HE RECEIVED IT BACK AND HE ALSO COULD NOT RECALL FROM WHOM HE RECEIVED IT BACK. HE ADVISED HE RECEIVED NO PROFIT OR FEE FOR FURNISHING THIS BOND. ESPOSITO STATED HE HAS NEVER CONTRIBUTED OR DONATED OR LOANED ANY MONEY TO ANYONE FOR PURPOSE OF DEFRAYING INCOME TAX LIABILITY OF RICCA OR [redacted] CAMPAGNA OR FOR ANY OTHER PURPOSE AND WAS NOT ACQUAINTED WITH ANY INDIVIDUAL WHO HAD DONE SO. LOUIS ESPOSITO DENIED ACQUAINTANCESHIP WITH OTHER SUBJECTS IN THIS CASE. HAS NO KNOWLEDGE OF ANY IRREGULARITIES IN CONNECTION WITH PAROLES. ROBERT MARCUS, FIVE NAUGHT FIVE SIX SOUTH WOODLAWN, CHICAGO, STATED HE WAS PROFESSIONAL BONDSMAN FOR APPROXIMATELY THIRTY YEARS, TERMINATED IN NINETEEN FORTY TWO. IN FORTY THREE WAS CONTACTED BY JOSEPH I. BULGER, LOUIS CAMPAGNA-S ATTORNEY, AND WENT ON CAMPAGNA-S BOND TO THE EXTENT OF [redacted] FIFTEEN THOUSAND DOLLARS IN CASH AND SECURITIES, RECEIVING TEN PER CENT FEE PAID BY BULGER IN CASH TO MARCUS. HE HAS BEEN ON CAMPAGNA-S AND HIS ASSOCIATES BONDS ON NUMEROUS OCCASIONS IN THE PAST AND CONSIDERED CAMPAGNA A GOOD RISK. HAS NO INFORMATION REGARDING PAROLE OTHER THAN WHAT HAS BEEN READ IN [redacted] LOCAL PAPERS. KNOWS NOTHING CONCERNING ANY MONEY PAID OR POLITICAL PRESSURE USED TO SECURE PAROLE. HAS FURNISHED NO MONEY TO ANYONE AND KNOWS NOTHING CONCERNING MONEY ALLEGED TO HAVE BEEN PAID TO ATTORNEY BERNSTEIN FOR PURPOSE OF SETTLING [redacted] BACK TAXES. MARCUS KNOWS ALL PAROLEES THRU [redacted] BUSINESS, BUT NOT OTHERWISE CONNECTED WITH THEM THROUGH BUSINESS

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SOCIAL OR OTHER CONTACTS. LOUIS DE COLA STATES CONTRIBUTED FIVE THOUSAND DOLLARS TOWARD BOND FOR CHARLES GIOE AT REQUEST OF HIS PARTNER, PETER MARUCA. HE IS PERSONAL FRIEND OF GIOE, AND CONTRIBUTED TOWARD BOND FOR THAT REASON ONLY. HE GAVE CERTIFIED CHECK FOR FIVE THOUSAND DOLLARS TO HIS PARTNER, WHO HE THINKS GAVE IT TO AN ATTORNEY. THIS WAS HIS OWN MONEY. HE MADE NO PROFIT FOR THIS, BUT WAS REIMBURSED IN FULL, RECEIVING REIMBURSEMENT BY A [redacted] CHECK WHICH HE BELIEVES WAS PAID BY SOME INSURANCE COMPANY. DE COLA SAYS DOES NOT KNOW ATTORNEY BERSTEIN. SAYS PAID NO MONEY TO [redacted] PAY INCOME TAX OR FOR ANY OTHER PURPOSE TO THESE PAROLEES SINCE THAT TIME. DOES NOT [redacted] KNOW OTHER PAROLEES. PETER MARUCA STATES HE PUT UP FIVE THOUSAND DOLLARS FOR CHARLES GIOE'S BOND AT GIOE'S OWN REQUEST OR AT REQUEST OF HIS BROTHER, TONY GIOE. STATES MONEY WAS PARTLY HIS OWN AND PARTLY BORROWED FROM FRIENDS, WHOSE NAMES HE DOES NOT NOW RECALL. HE GAVE HIS OWN AND HIS PARTNER'S CONTRIBUTION IN FORM OF CERTIFIED CHECKS TO ATTORNEY JOE J. BULGER. BULGER RETURNED THIS MONEY TO HIM. MARUCA CLAIMS HE PUT UP MONEY SOLELY FOR FRIENDSHIP AND RECEIVED NO PROFIT FROM [redacted] THE TRANSACTION. STATES HE MADE NO CONTRIBUTION TO PAY INCOME TAXES OR FOR ANY OTHER PURPOSE REGARDING THESE PAROLEES SINCE THAT TIME. BOTH DE COLA AND MARUCA DENY ANY KNOWLEDGE OF ANY BRIBE [redacted] BEING PAID TO PROCURE RELEASE OF GIOE OR OTHER PAROLEES. MARUCA STATES ONLY ACQUAINTED WITH GIOE. KNOWS D'ANDREA THROUGH UNION, AND HAS SLIGHT ACQUAINTANCE WITH CAMPAGNA AND DE LUCIA. CHARLES SIGNA STATES HE PUT UP FIVE THOUSAND DOLLARS FOR BOND OF CHARLES GIOE. THIS MONEY WAS PREVIOUSLY [redacted] GIVEN TO HIM BY GIOE FOR THIS PURPOSE. GIOE GAVE HIM CASH, AND HE PROCURED CERTIDIED CHECK WHICH HE TURNED OVER TO ATTORNEY JOSEPH I. BULGER. INTERNAL REVENUE CHECKED HIS INCOME AND SHOWED IMPOSSIBLE FOR HIM TO HAVE HAD FIVE THOUSAND DOLLARS OF OWN TO PUT UP AS BOND. HE TOLD THEM OF HAVING RECEIVED THE MONEY FROM GIOE. HE REQUESTED RELEASE FROM RESPONSIBILITY ON GIOE'S BOND AND MET GIOE AND

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ATTORNEY BULGER. BULGER RETURNED THE FIVE THOUSAND DOLLARS BY CERTIFIED CHECK, WHICH HE CASHED AND RETURNED CASH TO GIOE. HE MADE NO PROFIT FROM THIS TRANSACTION. HE DOES NOT KNOW OTHER PAROLEES. HAS NO KNOWLEDGE OF ANY MONEY GIVEN BERNSTEIN TO PAY INCOME TAX OR FOR USE AS BRIBE. MRS. FAE SUSSMAN, WIFE OF JACK SUSSMAN, STATES SHE DID NOT PERSONALLY PUT UP ANY MONEY FOR BOND OF PAROLEES. SHE KNOWS ONLY THAT SHE SIGNED SOME PAPERS WHEN HER HUSBAND PUT UP MONEY FOR BOND OF PAROLEES. SHE DOES NOT KNOW PAROLEES PERSONALLY. ALTHOUGH MIGHT KNOW THEM BY SIGHT. HAS NO KNOWLEDGE OF MONEY THAT MAY HAVE BEEN PUT UP TO PAY INCOME TAX OR FOR USE AS A BRIBE. MRS. OSCAR CHARLES LEVY, THE FORMER BETTY SUSSMAN, SISTER OF JACK SUSSMAN, STATES SHE HAS NO KNOWLEDGE WHATEVER OF ANY MONEY PUT UP AS BOND OR FOR ANY OTHER PURPOSE RELATIVE TO THESE PAROLEES, AND THAT ANY USE OF HER NAME WAS UNAUTHORIZED. JEROME JOHNSON, ONE NORTH LA SALLE STREET, ATTORNEY, ADVISED HE POSTED TWENTY THOUSAND DOLLAR BOND FOR RALPH PIERCE WITH THE AMERICAN CASUALTY COMPANY IN HIS OWN NAME, ON INSTRUCTIONS FROM HIS CLIENT, EDWARD M. DOBKIN, SOMETIME IN NINETEEN FORTYTHREE, EXACT DATE NOT KNOWN. JOHNSON ADVISED THAT HE THOUGHT TEN THOUSAND DOLLARS WAS CASH AND TEN THOUSAND DOLLARS CASHIER'S CHECK DRAWN ON A BANK HE DOES NOT REMEMBER. JOHNSON ADVISED THAT A RECEIPT WAS OBTAINED FROM THE AMERICAN CASUALTY COMPANY WHEN SAID BOND WAS POSTED AND THE TRANSACTION BETWEEN JOHNSON AND HIS CLIENT OCCURRED IN JOHNSON'S LAW OFFICE, DATE NOT KNOWN. JOHNSON ADVISED SAID MONEY WAS RETURNED TO HIM BY CHECK FROM THE AMERICAN CASUALTY COMPANY EITHER IN MAY OR JULY, NINETEEN FORTY FOUR, WHICH CHECK HE ENDORSED AND RETURNED SAID FUNDS TO HIS CLIENT. JOHNSON ADVISED HE KNEW NOTHING OF ANY REMUNERATION TO DOBKIN FOR POSTING SAID BOND NOR

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ANYTHING ABOUT DOBKIN BEING APPROACHED ON THE SUBJECT ~~OR XX~~ OF CONTRIBUTING TO THE TAX SETTLEMENTS OF THE SUBJECTS. JOHNSON FURTHER STATED HE DID NOT KNOW ANY OF THE SUBJECTS, BUT KNEW BERNSTEIN THROUGH BUSINESS ASSOCIATION AND THAT HE MERELY ACTED IN THIS INSTANCE AS AN AGENT OF HIS CLIENT. DOBKIN WILL BE INTERVIEWED.

MC SWAIN

END AND ACK PLS

CORRECTIONS

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ON PAGE SIX DELETE LINE TWENTYONE WHICH IS OVERLINE LINE TWENTYTWO FOLLOWS LINE TWENTY

ACK PLS

TWO COPIES REC'D

cc Mr. McCabe.

BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 10 1947

TELEMETER

Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

WASH AND WASH FLD 9 FROM CHICAGO 10 6-00 PM DR

DIRECTOR AND SAC WASHINGTON FIELD

ATTENTION ASSISTANT DIRECTOR A. ROSEN

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/10/75 BY SP5CJ/CW

LOUIS CAMPAGNA, WAS., ET AL, BRIBERY, ~~XXX~~ PAROLE MATTERS. CHARLES FRANCIS LA MANTIA, SALESMAN AND DEPARTMENTAL MANAGER FOR LA MANTIA BROTHERS ARRIGO PRODUCE CO., CHICAGO, ADVISES HE CONTRIBUTED APPROXIMATELY SEVENTY FIVE HUNDRED TO TEN THOUSAND DOLLARS FOR BAIL BOND OF SUBJECTS IN NINETEEN FORTY-THREE. CONTRIBUTION WAS IN FORM OF PERSONAL CHECK TO BEST OF LA MANTIA-S KNOWLEDGE AND MONEY WAS OBTAINED FROM HIS PERSONAL FUNDS ONLY. CONTRUBUTION MADE AT REQUEST OF JOE FUSCO, A LIFE-LONG FRIEND OF LA MANTIA. FUSCO IS MEMBER OF CHICAGO SYNDICATE. FUSCO TOLD LA MANTIA THAT CONTRIBUTION WAS FOR BAIL BOND FOR FRIENDS OF FUSCO AND LA MANTIA MADE CONTRIBUTION PURELY ON BASIS OF HIS FRIENDSHIP WITH FUSCO. LA MANTIA TURNED HIS CONTRIBUTION OVER TO A CHICAGO ATTORNEY WHOSE NAME HE BELIEVES WAS BULGER. LA MANTIA DENIES ANY BUSINESS OR PERSONAL RELATIONSHIPS WITH ANY OF SUBJECTS. LA MANTIA-S CONTRIBUTION WAS RETURNED BY AN UNKNOWN CHICAGO QUOTE INSURANCE COMPANY UNQUOTE, TO WHOSE OFFICES LA MANTIA WENT ON ADVICE OF ATTORNEY BULGER. LA MANTIA IS STOCKHOLDER IN KRISPY KLEEN VEGETABLES, INC., BUT DENIES ANY KNOWLEDGE OR PARTICIPATION IN OFFERING EMPLOYMENT TO SUBJECT D-ANDREA. PHILIP LA MANTIA, ~~TREASXX~~ TREASURER OF LA MANTIA BROS. ARRIGO CO., ADVISES HE CONTRIBUTED APPROXIMATELY SEVENTYFIVE HUNDRED TO TEN THOUSAND DOLLARS FOR BAIL BOND OF SUBJECTS IN NINETEEN FORTYTHREE. PHILIP BELIEVES HIS CONTRIBUTION WAS IN FORM OF PERSONAL CHECK AND STATES ENTIRE AMOUNT WAS

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FURNISHED FROM HIS PERSONAL FUNDS. CONTRIBUTION MADE AT REQUEST OF JOE FUSCO AND CONTRIBUTION WAS GIVEN PERSONALLY BY PHILIP TO FUSCO. PHILIP-S LONG STANDING FRIENDSHIP WITH FUSCO ONLY MOTIVE IN MAKING CONTRIBUTION AND PHILIP CLAIMS HE DID NOT KNOW AT TIME THE IDENTITIES OF INDIVIDUALS FOR WHOM BAIL WAS BEING FURNISHED. CONTRIBUTION WAS MADE WITHOUT ANY COMPENSATION OR PRESSURE. PHILIP WAS SUBSEQUENTLY REPAID IN FULL AT OFFICE OF ATTORNEY JOSEPH BULGER, IN PRESENCE OF FUSCO. PHILIP LA MANTIA UNCERTAIN AS TO WHETHER FUSCO OR BULGER REPAID THE MONEY TO HIM. PHILIP LA MANTIA HAS BEEN CASUALLY ACQUAINTED WITH D-ANDREA FOR MANY YEARS BUT DENIES KNOWING OTHER SUBJECTS. BOTH CHARLES LA MANTIA AND PHILIP LA MANTIA DENY HAVING BEEN APPROACHED FOR CONTRIBUTIONS FOR PAYMENT OF INCOME TAXES FOR SUBJECTS CAMPAGNA AND DE LUCIA. ALSO MAKE GENERAL DENIAL OF KNOWLEDGE OF ANY BRIBERY IN CONNECTION WITH PAROLES. LOUIS RAGO, OFFICER OF RAGO FUNERAL HOME, CHICAGO, ADVISED THAT HE AND HIS BROTHER JOHN, DECEASED, AT REQUEST OF MRS. LOUIS CAMPAGNA, HAD ADVANCED TWENTY THOUSAND DOLLARS TOWARDS THE COLLATERAL FOR BOND OF LOUIS CAMPAGNA AT THE TIME CAMPAGNA WAS ARRESTED IN NINETEEN FORTYTHREE. RAGO STATED THIS MONEY TURNED OVER TO JOSEPH IMBURGIO, ALIAS OF JOSEPH BULGER. RAGO SAID HE HAD NOTHING TO DO WITH PAYMENTS MADE TO BERNSTEIN FOR INCOME TAXES OF DE LUCIA AND

CAMPAGNA, AND GAVE NO MONEY TO ANYONE FOR TAX PAYMENTS. ADVISED HE WAS NOT ACQUAINTED WITH BERNSTEIN AND STATED HE HAD NO KNOWLEDGE OF ANY PAYMENTS OF MONEY TO ANY GOVERNMENT OFFICIAL IN EFFORT TO SECURE PAROLES OF SUBJECTS. RAGO STATED HE KNEW ALL THE SUBJECTS, [redacted] THE CAPONES AND MANY OF THE SO-CALLED MOB MEMBERS THROUGH HIS CONTACTS WITH THEM IN CICERO, ILLINOIS, DURING PRIHIBITION ERA. STATED HE ACCOMPANIED RALPH CAPONE ON [redacted] CAPONE-S WEDDING TRIP AND ACTED AS FRONT MAN, THAT HE BURIED AL CAPONE. STATED HE KNOWS THESE INDIVIDUALS SOCIALLY AND HAS [redacted] NEVER INQUIRED INTO THEIR PERSONAL BUSINESS OR MEANS OF A LIVELIHOOD, AS HE CONSIDERS IT THEIR OWN AFFAIR. RAGO STATED MONEY A ADVANCED FOR BONDS FROM HIS OWN FUNDS AND LATER WAS RETURNED TO HIM. NO PROFIT WAS MADE BY RAGO. JACK SUSSMAN, SEVEN ONE [redacted] SIX WEST ROOSEVELT ROAD, PART OWNER OF ROOSEVELT CAFETERIA, ADVISED HE HAS BEEN IN BUSINESS AT THIS ADDRESS FOR THE PAST SEVENTEEN YEARS AS [redacted] A RESTAURANT OPERATOR. SUSSMAN ADMITTED FURNISHING TWENTYFIVE THOUSAND DOLLARS [redacted] CASH FOR THE BAIL BOND OF PAUL DE LUCIA AT THE TIME HE WAS ARRESTED IN NINETEEN FORTYTHREE BY THE FEDERAL AUTHORITIES. SUSSMAN ADVISED THAT TWENTYFIVE THOUSAND DOLLARS CONSISTED OF FUNDS BELONGING TO HIMSELF, HIS BROTHER AND [redacted] HIS PARTNER. SUSSMAN STATED THIS MONEY WAS SUPPLIED AT THE PERSONAL REQUEST OF DE LUCIA TO THE U.S. COMMISSIONER, CHICAGO, AND THE [redacted] REASON FOR COMPLYING WITH REQUEST IS THAT HE HAS BEEN A FRIEND OF DE LUCIA-S FOR A GOOD MANY YEARS AND THIS MONEY WAS LATER RETURNED. SUSSMAN ADVISED MONEY FURNISHED ON NON-PROFIT BASIS.

END PAGE THREE

PAGE FOUR

HE POINTED OUT THAT HE HAS NEVER INQUIRED INTO DE LUCIA-S BUSINESS ACTIVITIES AS HE CONSIDERED IT DID NOT CONCERN HIM. SUSSMAN CLAIMED HE HAS OPERATED A LEGITIMATE BUSINESS ALL HIS LIFE AND HAS NEVER MIXED INTO ANY BUSINESS ACTIVITIES WITH THE SO-CALLED CHICAGO HOODLUMS, WITH A GREAT MANY OF WHOM HE IS ~~ACQUAINTEXX~~ ACQUAINTED. SUSSMAN ADMITS KNOWING PERSONALLY ALL THE SUBJECTS IN THE CASE, WITH THE EXCEPTION OF GIOE. DENIED ANY KNOWLEDGE OF IRREGULARITIES IN THEIR OBTAINING P PAROLES OR BRIBE PAYMENTS IN THIS MATTER. SUSSMAN ALSO DENIES KNOWING Q EUGENE BERNSTEIN AND STATES HE DID NOT FURNISH ANY FUNDS USED TO PAY CAMPAGNA-S OR DE LUCIA-S INCOME TAXES.

MC SWAIN

END AND ACK PLS

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cc: Mr McCabe

BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 10 1947

TELEMETER

6:20 pm 10-10-47 Jarm. to Spec.

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Mr. Nease	
Miss Gandy	

CONF TWO STATION WASH 1 AND CHICAGO 1 FROM SAN FRAN

10-10-47 2-11 PM WN

DIRECTOR AND SACS?75 CHICAGO AND WASHINGTON FIELD

URGENT

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/75 BY SP5 alm

ATTENTION ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS ETAL, BRIBERY, PAROLE MATTERS. RE CHICAGO TEL OCTOBER NINTH. PETER FOSCO ADVISES HAS NO INFO AS TO HOW SUBJECTS SECURED THEIR PAROLES AND DENIES HE ASSISTED ANY OF THEM IN ANY WAY IN THIS REGARD. HE SAID HE WAS SURPRISED WHEN HE READ THAT ALL SUBJECTS HAD SECURED SUCH EARLY PAROLES. DENIES KNOWLEDGE THAT CAMPAIGN PRESSURE MADE TO ELECT DEMOCRATIC CANDIDATES FOR PURPOSE OF SECURING RELEASE OF SUBJECTS FROM JAIL OR THAT DEMOCRATIC AND REPUBLICAN PRECINCT CAPTAINS ACCOMPANIED EACH OTHER IN WARD CANVASSING. DENIES TERRORISM IN NINETEEN FORTY SIX ELECTIONS, SAYING THIS WAS A CLEAN ELECTION. FOSCO HAS KNOWN CAMPAGNA, D'ANDREA, DE LUCIA, AND BIOFF AS HOODLUMS FROM THE PROHIBITION DAYS FROM HIS SECTION, NAMELY WARD TWENTY OF CHICAGO. HE ALSO KNOWS ATTORNEY SHAPIRO. HE DOES NOT KNOW OTHER SUBJECTS. ABOVE NAMED PERSONS WHOM HE KNOWS HAVE NEVER GIVEN HIM POLITICAL ORDERS AND ARE NOT CONSIDERED BY FOSCO AS POLITICAL FIGURES IN ANY WAY ALTHOUGH AT CERTAIN PERIODS OF TIME THEY APPEARED TO HAVE CONSIDERABLE MONEY. FOSCO DENIES THAT HE HAS EVER TAKEN ORDERS FROM SUBJECT DE LUCIA AND FURTHER DENIES THAT HE EVER VISITED HIM IN PRISON UNDER HIS OWN NAME OR AN ALIAS AMD HE DENIED EVEN KNOWING IN WHICH PRISON HE WAS DENIES ACQUAINTANCESHIP WITH ANTHONY ACCARDO BUT RECALLS

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PAGE TOW

A CHICAGO ATTORNEY ORIGINALLY NAMED JOSEPH IMBURGIO, PHONETIC, WHO HE BELIEVES IS NOW KNOWN AS JOSEPH BULGER.# AMSD REPORT FOLLOWS.

KIMBALL

END AND ACK PLS 0

X

cc: Mr. McCabe

RD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. ROSEN

DATE: October 10, 1947

FROM : E. J. McCabe

Call: 9:25 p.m.

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

SUBJECT: LOUIS CAMPAGNA, with aliases, ET AL
BRIBERY; PAROLE MATTERS

At this time ASAC R. N. Hosteny of the Chicago Office called and advised that they interviewed about 19 people today and obtained nothing of significance except the interview with one Novak, operator of a tavern, bookie joint and gambling establishment at 4817 W. 55th St., Chicago. Novak admitted that in 1943 he secured $25,000 from his personal account to cover a portion of the bond of Louis Campagna. He further stated that in September of 1946 he was contacted by one Joe Corngold, reportedly half owner with Campagna of the El Patio at Cicero, Illinois. As a result of this contact Novak turned over $10,000 in cash from his personal funds to Corngold to be used in a settlement of Corngold's back taxes. Novak stated he received no note or receipt for this money but considered it as a loan to be repaid. He denies knowing of any irregularities with regard to the paroles. Mr. Hosteny advised that Corngold will be interviewed later.

Mr. Hosteny also advised they are considering interviewing responsible Ward Committeemen of the five Italian wards. Only one has been interviewed to date.

Mr. Hosteny also advised that in reviewing the list printed by Doherty in the paper it was noted he mentioned two priests the Chicago office knows nothing about. They are checking to determine whether or not some other office may have covered these individuals.

He stated that the Los Angeles Office has asked Harry Ash who signed the Form 15 certifying he is qualified as a parole adviser. Ash advised he did not know who signed it. The Kansas City Office advised Hosteny that Judge Rudolph Desorg, Municipal Court Judge in Chicago signed this Form 15. It was suggested that this judge be interviewed.

Regarding Bulger's bank account, Hosteny advised that Bulger is supposed to have an account at the Amalgamated Bank but they have not as yet been able to verify this. He stated that the Italo-American Group has a bank account at the Northern Trust Company and one at the Amalgamated Bank.

Hosteny advised that Fischetti has not been located.

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OCT 10

TELEMETER

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. ...
Miss ...

WASHINGTON AND WASH FLD 16 FROM CHICAGO 10 9-15 PM DBR

DIRECTOR AND SAC WASHINGTON FIELD

URGENT

ATTENTION ASSISTANT DIRECTOR A. ROSEN

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2-12-75 BY SP5A

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTER. ANTHONY POLUMBO, TO FOUR ONE TWO WEST CHICAGO AVENUE, CHICAGO, STATES HE POSTED TWENTYFIVE THOUSAND DOLLAR BOND IN NINETEEN FORTYTHREE, AFTER RECEIVING MONEY FROM ANTHONY CAPEZIO AND DOES NOT KNOW THE PERSON OR PERSONS FOR WHOM THE BOND WAS POSTED. POLUMBO ADVISES CAPEZIO APPROACHED HIM AND REQUESTED THAT HE POST THE BOND DUE TO FACT POLUMBO WAS "IN THE CLEAR-", AND HE DID SO AS A PERSONAL FAVOR FOR CAPEZIO. POLUMBO ADVISES HE SECURED A CASHIER-S CHECK FROM THE NATIONAL SECURITY BANK OF CHICAGO IN THE AMOUNT OF TWENTYFIVE THOUSAND DOLLARS, AND TOOK THE MONEY TO ATTORNEY BULGER, WHO IN TURN POSTED A BOND. POLUMBO DENIES KNOWING FOR WHOM BULGER POSTED THE BOND. POLUMBO ADVISED HE DID NOT RECEIVE A RECEIPT FOR THIS MONEY. POLUMBO FURTHER STATES AFTER HE HAD GIVEN THE MONEY TO BULGER, HE WAS CALLED IN TO THE INTERNAL REVENUE DEPARTMENT FOR INQUIRY REGARDING HIS HAVING POSTED THE TWENTYFIVE THOUSAND DOLLAR BOND. POLUMBO ADVISED THAT THE SURETY COMPANY, NAME UNKNOWN, WHO APPARENTLY HANDLED THE [redacted] BOND AFTER BULGER WAS GIVEN THE MONEY BY HIM RETURNED THE MONEY TO HIM IN A CHECK, AND HE IN TURN, AT THE REQUEST OF CAPEZIO, CASHED THE CHECK AND SECURED TWENTYFIVE ONE THOUSAND DOLLAR BILLS AND GAVE THAT MONEY BACK TO CAPEZIO. [redacted] POLUMBO DENIED SECURING ANY PROFIT, FEE OR COMMISSION FOR THE SERVICES RENDERED CAPEZIO BUT DID IT ONLY AS A PERSONAL FAVOR TO HIM. POLUMBO DENIES KNOWING ATTORNEY

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END [redacted] PAGE ONE

EUGENE BERNSTEIN AND DENIES GIVING OR LOANING ANY MONEY TO BERNSTEIN TO ASSIST IN THE SETTLEMENT OF THE TAX CASES FOR THE SUBJECTS. POLUMBO ADVISES THAT THE ONLY PERSON HE KNOWS PERSONALLY IS D-ANDREA, WHOM HE HAS KNOWN EVER SINCE THEY BOTH WERE BOYS TOGETHER IN CHICAGO. POLUMBO KNOWS OF SUBJECT RICCA BUT HAS NO PERSONAL KNOWLEDGE REGARDING RICCA HIMSELF. POLUMBO KNOWS SUBJECT DIAMOND, WHO IS STILL IN LEAVENWORTH PENITENTIARY, AND HAS KNOWN HIM AS A BOY BUT HAS NOT SEEN HIM IN APPROXIMATELY TWENTY YEARS. SAM KAPLAN, TWO ONE ONE THREE SOUTH FIFTY FIRST STREET, CICERO, TREASURER OF THE AJAX MANUFACTURING COMPANY, THREE NAUGHT NAUGHT ONE SOUTH KILBOURNE AVENUE, CHICAGO, ADVISES HE POSTED TWENTY THOUSAND DOLLAR BOND IN NINETEEN FORTYTHREE OUT OF HIS OWN PERSONAL FUNDS FOR SUBJECT GIOE AFTER GIOE HAD ASKED HIM TO DO SO. KAPLAN STATES HE SECURED A CASHIER-S CHECK IN THE AMOUNT OF THE BOND FROM THE CITY NATIONAL BANK IN CHICAGO AND GAVE THE CHECK TO AN INSURANCE COMPANY IN CHICAGO, AS A BOND FOR GIOE. HOWEVER, HE DOES NOT RECALL THE DATE WHEN HE POSTED THE BOND OR THE NAME OF THE COMPANY WITH WHOM IT WAS POSTED. KAPLAN DOES NOT RECALL WHETHER OR NOT HE GOT A RECEIPT FOR THE MONEY BUT WAS OF THE OPINION THAT HE MIGHT HAVE. KAPLAN DENIES KNOWING THE EXACT CIRCUMSTANCES SURROUNDING THE CONTACT BETWEEN GIOE AND HIMSELF WITH REFERENCE TO THE BOND, AND MAINTAINS IT WAS STRICTLY OF A PERSONAL BASIS. KAPLAN STATES HE GOT HIS MONEY BACK FROM THE INSURANCE COMPANY AFTER SUBJECT GIOE WAS SENT TO THE ATLANTA PENITENTIARY, BUT DOES NOT RECALL HOW SOON AFTER GIOE WENT TO THE

END PAGE TWO

PENITENTIARY HE DID RECEIVE THE MONEY. KAPLAN DENIES HE HAS SEEN GIOE SINCE HIS RELEASE FROM LEAVENWORTH. KAPLAN ADVISES THAT GIOE IS THE ONLY ONE OF THE SUBJECTS INVOLVED IN THIS CASE THAT HE KNOWS AND STATES HE GREW UP WITH GIOE ON THE NORTHWEST SIDE OF CHICAGO. KAPLAN STATES HE WAS CALLED IN TO THE INTERNAL REVENUE DEPARTMENT FOR INQUIRY REGARDING HIS HAVING POSTED THE TWENTY THOUSAND DOLLAR BOND. JOHN COMISE, FIVE ONE NAUGHT TWO SOUTH WENTWORTH AVENUE, CHICAGO, ILLINOIS, ADVISED THAT IN NINETEEN FORTYTHREE HE POSTED A TEN THOUSAND DOLLAR BOND WITH AN INSURANCE COMPANY IN CHICAGO, ILLINOIS, AT ONE SEVEN FIVE WEST JACKSON BOULEVARD, CHICAGO, NAME OF INSURANCE COMPANY UNKNOWN, FOR SUBJECT D'ANDREA. COMISE ADVISES THIS MONEY CAME OUT OF OWN PERSONAL FUNDS AND WAS PAID FOR WITH A CASHIER'S CHECK DRAWN ON THE HALSTED EXCHANGE NATIONAL BANK OF CHICAGO. COMISE ADVISED THAT D' ANDREA PERSONALLY APPROACHED HIM TO GO THE BOND FOR HIM AND AT THAT TIME COMISE HAD JUST A SKETCHY KNOWLEDGE OF THE VIOLATION IN WHICH D'ANDREA WAS INVOLVED. COMISE ADVISED HE RECEIVED A RECEIPT FOR THE BOND BUT DOES NOT KNOW WHERE IT IS AT THE PRESENT IN WHICH D'ANDREA WAS INVOLVED. COMISE ADVISED HE RECEIVED A RECEIPT FOR THE BOND BUT DOES NOT KNOW WHERE IT IS AT THE PRESENT TIME. COMISE ADVISED THAT HE HAS BEEN REPAID HIS BOND OF TEN THOUSAND DOLLARS AND THE SAME WAS REPAID HIM BY THE SURETY COMPANY IN CHECK FORM. COMISE ADVISES THAT HE RECEIVED REPAYMENT ON THE BOND SOMETIME AFTER D'ANDREA WAS SENT TO THE ATLANTA PENITENTIARY. COMISE DENIED THAT HE RECEIVED ANY PROFIT OR FEE FOR HIS ASSISTANCE TO D'ANDREA AND PERFORMED IT ONLY AS A PERSONAL FAVOR TO D'ANDREA, DUE TO THE FACT THAT HE HAS

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PAGE FOUR.

KNOWN D'ANDREA FOR MANY YEARS AND IS IN THE SAME [redacted] LODGE WITH D'ANDREA, NAMELY THE ITALO AMERICAN NATIONAL UNION, OF WHICH D'ANDREA AT ONE TIME WAS AN EXECUTIVE OFFICER. COMISE ADVISED THAT D'ANDREA IS THE ONLY ONE OF THE SUBJECTS HE KNOWS INVOLVED IN THIS CASE, AND STATED THAT HE WOULD NOT ASSIST D'ANDREA AGAIN UNDER ANY CIRCUMSTANCES BECAUSE APPARENTLY D'ANDREA DID NOT APPRECIATE HIS EFFORTS IN NINETEEN FORTYTHREE. COMISE STATES THAT HE WAS CALLLED IN TO THE INTERNAL REVENUE DEPARTMENT FOR INQUIRY REGARDING HIS HAVING [redacted] POSTED TEN THOUSAND DOLLAR BOND. AL INDIVIDUALS [redacted] INTERVIEWED ON THIS DATE DENIED KNOWING ATTORNEY EUGENE BERSTEIN, DENIED CONTRIBUTING IN ANY MANNER, SHAPE OR FORM TO A FUND TO PAY THE INCOME TAX DELINQUENCIES FOR THE SUBJECTS IN THIS CASE, DENIED KNOWING ANY PERSON OR PERSONS WHO MAY HAVE GIVEN OR LOANED MONEY FOR THE INCOME TAX PAYMENTS OF THE SUBJECTS IN THIS CASE, AND [redacted] DENIED EVER HAVING BEEN APPROACHED BY ANYONE FOR THE PURPOSE OF CONTRIBUTING TO AN UNKNOWN OR KNOWN FUND, WITH REFERENCE TO THE WELFARE OF THE SUBJECTS IN THIS CASE.

MC SWAIN

END AND ACK PLS

TWO COPIES WFO

cc Mr McCabe

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 10 1947

TELEMETER

ALL INFOPMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/95 BY 60324 UCBAW/STP

Mr. Tolson
Mr. A. [illegible]
Mr. [illegible]
Mr. Clavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. [illegible]
Miss [illegible]

WASH, WASH FLD 17 AND NEW YORK 3 FROM CGO 10 10-05 DBR

DIRECTOR AND SACS WASH FLD AND NEW YORK URGENT

ATTENTION, ASSISTANT DIRECTOR A. ROSEN RE LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. CONTACT [redacted] OR ANY OTHER PERSONAL b7D INFORMANTS WHO MAY KNOW OF WHEREABOUTS OF TONY ACCARDO, ALIAS JOE BATTERS WHO IS SUPPOSEDLY IN NEW YORK CITY. ACCARDO IS ALLEGEDLY TOP RANKING MEMGER OF CHICAGO SYNDICATE. HIS WIFE STATES HE LEFT CHICAGO FOR NEW ~~YORK~~ YORK CITY ON ABOUT SEPTEMBER TWENTYNINETH LAST AND HAS NOT CONTACTED HER SINCE. CHECK WITH CONFIDENTIAL INFORMANTS SUBSTANTIATES WIFE-S STORY. IF ACCARDO IS LOCATED, INTERVIEW GENERALLY AS FOLLOWS, RECORDS OF LEAVENWORTH PENITENTIARY INDICATE ATTORNEY EUGENE BERNSTEIN VISITED SUBJECTS CAMPAGNA AND DE LUCIA VARIOUS TIMES. IN MANY OF THESE VISITS HE WAS ACCOMPANIED BY AND INDIVIDUAL REGISTERED AS JOSEPH ~~BULGER~~ BULGER, ATTORNEY, CHICAGO. ON NONE OF VISIT RECORDS DOES ACCARDO-S NAME APEAR. ADMISSIONS MADE AT CONGRESSIONAL HEARING AND TO AGENTS BY CAMPAGNA AND DE LUCIA THAT ACCARDO VISITED THEM WHILE THEY WERE INCARCERATED. TWO CORRECTIONAL OFFICERS AT LEAVENWORTH PENITENTIARY STATED ACCARD-OS PICTURE STRONGLY RESEMBLES PERSON ACCOMPANYING BERNSTEIN ON HIS VISITS. BERNSTEIN ~~ADMITTED~~ ADMITTED TO AGENTS THAT BULGER DID NOT ACCOMPANY HIM, BUT THAT ~~ACCARDO~~ ACCARDO DID. BERNSTIEN DENIES KNOWING ACCARDO USED BULGER-S NAME AT TIME OF VISITS. DATES OF BERNSTEIN-S AND ACCARDO-S VISITS TO CAMPAGNA AND DE LUCIA ARE NINE FOUR, TEN EIGHTEEN, TWELVE SIX FORTYFIVE, ONE FIFTEEN FORTSIX, FOUR TWENTYNINE SEVEN TWENTYTWO, ELEVEN SIX FORTYSIX, THREE SIX, FIVE EIGHT, SIX

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PAGE TWO

TWENTYTHREE FORTYSEVEN. BERNSTEIN ~~SXX~~ WROTE AT LEAST EIGHT LETTER TO LEAVENWORTH PENITENTIARY REQUESTING PERMISSION TO TALK TO CAMPAGNA AND DE LUCIA ACCOMPANIED BY QUOTE THE GENTLEMAN WHO HAS PREVIOUSLY ACCOMPANIED ME AND WHO IS ACQUAINTED WITH THEIR PERSONAL AFFAIRS UNQUOTE. QUESTION ACCARDO AS TO WHO TOLD HIM TO USE BULGER-S NAME IN REGISTERING AT LEAVENWORTH PENITENTIARY, WHO THIS MATTER WAS DISCURSSED WITH PRIOR TO FIRST VISIT, IF BERNSTEIN OR BULGER KNEW OF ARRANGEMENT FOR THE USE OF BULGER-S NAME, IF ACCARDO HAD ANY PART IN THE COLLECTION OF FUNDS P- PLACED ON BERNSTEIN-S DESK BY SO CALLED ANONYMOUS PERSONS FOR THE PAYMENT OF CAMPAGNA- OR DE LUCIA-S INCOME TAX, AS TO WHAT ~~HXX~~ WAS DISCUSSED DURING HIS VISITS WITH BERNSTEIN TO LEAVENWORTH PARTICULARLY AFTER JULY TWENTYFTWO, FORTYSIX VISIT. INCOME TAX MATTERS WERE GIVEN AS REASONS FOR VISITS, HOWEVER, CAMPAGNA-S AND DE LUCIA-S TAXES WERE PAID BY BERNSTEIN AS OF OCTOBER ELEVEN, FORTYSIX. ASK ACCARO ABOUT ALLEGATION THAT DE LUCIA CONTROLLED CHICAGO POLITICS FROM LEAVENWORH THROUGH ACCARDO. INFORMATION RECEIVED CHICAGO THAT ACCARDO WAS OPERATING CHICAGO SYNDICATE WHILE DE LUCIA IN PENITENTIARY AND THAT ACCARDO HAD TO STEP DOWN WHEN DE LUCIA WAS PAROLED.

MC SWAIN

END AND ACK PLS

TWO COPIES WFO cc Mr McCabe

BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 8 1947

TELEMETER

Mr. Tolson
Mr. E. A. Tamm
Mr. Coffey
Mr. Clavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

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WASH AND WASH FLD 6 AND CGO 1 FROM LOSA 8 5-43 P

DIRECTOR AND SACS, CHICAGO AND WASHINGTON FIELD URGENT

ATTENTION - ASSIST. DIRECTOR ROSEN.

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. RE CHICAGO PHONE CALL TO LOS ANGELES THIS DATE CONCERNING REINTERVIEW WITH HARRY ASH. ASH DENIES ANY KNOWLEDGE OF MAURY HUGHES, DENIES ATTENDING MEETING IN WHICH GOVERNOR GREEN, MR. MAXWELL AND JOHN T. DEMPSEY AT BERRIAN SPRINGS, MICH. IN FACT, DID NOT KNOW WHERE BERRIAN SPRINGS IS LOCATED. DENIED KNOWING WHO MAXWELL MIGHT BE. VERIFIED THAT THE QUOTE PERSONAGE UNQUOTE WAS BISHOP SHEIL AND THAT ONE OF THE EMISSARIES WAS A MAN NAMED SMITH WHO WORKS IN THE OFFICE OF BISHOP SHEIL. FORM FIFTEEN WHICH WAS SUBMITTED TO ASH DID NOT NAME ANYONE WHO VOUCHED FOR HIM AS PAROLE ADVISOR BUT, ACCORDING TO ASH, WAS SUBMITTED AT GIOES REQUEST FOR ASH TO ACT IN THAT CAPACITY. DENIES ANY ARREST IN FORTY AND STATES IT IS MERELY A SMEAR ATTEMPT. HE FURTHER ADVISED THAT HE HAD SUBMITTED HIS RESIGNATION AS SUPERINTENDENT OF CRIME PREVENTION, ILLINOIS BECAUSE OF THE EMBARRASSMENT OF THIS INVESTIGATION CAUSING GOVERNOR GREEN. STATED HE WAS LEAVING LOS ANGELES TWO THIRTY P. M., OCTOBER TWELVE VIA AMERICAN AIRLINES ARRIVING CHICAGO EIGHT THIRTY P. M. SAME DATE. GOLDBLATT REFERRED TO IS THE GOLDBLATT WHO OWN THE GOLDBLATT DEPARTMENT STORE. GIBBY KATLAN OWNS THE BUILDING AT THE CORNER OF LAKE AND DEARBORN AND OWNS AND OPERATES QUOTE GIBBYS RESTAURANT UNQUOTE. LEWIS PELTON, ACCORDING TO ASH, WAS GIOES PAROLE ADVISOR. ASH

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cc: Mr. McCabe

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STATED HE KNEW ALL THESE INDIVIDUALS WHO LIVED AT THE SENECA BUT HE NOR ANY OF THESE INDIVIDUALS WERE EVER ARRESTED TO HIS KNOWLEDGE.

REPORT FOLLOWS AMSD.

HOOD

ACK PLS

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. ROSEN

FROM : MR. EDW. A. TAMM

DATE: 10-11-47

SUBJECT: LOUIS CAMPAGNA, was; et al.
BRIBERY; PAROLE MATTERS

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Beahm
Miss Gandy

On October 10, 1947, I contacted Bishop Sheil at Chicago and advised him that in the course of the Bureau's investigation of this case a person interviewed had claimed he was contacted by "an emissary of Bishop Sheil." I told Bishop Sheil that further questioning of this man had indicated the Bishop's alleged representative was a man who worked in the office of the Bishop and whose name was identified as "Smith." I informed Bishop Sheil the Director had instructed me to call him, advise him of this allegation, and determine first of all whether he had an employee named Smith and, secondly, to inform him that if there was such a person, the Bureau of course desired to interview him at once. Bishop Sheil was told that this matter was being handled in this way at the Director's instructions, in order that word would not reach Bishop Sheil that we were conducting interviews within his office without his knowledge.

Bishop Sheil stated that one of his key employees was Charley Smith who was the Executive Director of the Catholic Youth Organization and a man who was very active in Bishop Sheil's office. He stated this was the only Smith in his office and that while he had previously had the utmost confidence in Smith, he nevertheless was most anxious that the Bureau would pursue this matter to its ultimate end, in order that if Charley Smith had utilized his name in connection with this case, it might be definitely established and appropriate action taken. Bishop Sheil stated that of course if Smith had engaged in any irregular activity in this case, the Bishop would immediately discharge him. I told Bishop Sheil the Bureau would arrange to immediately interview Charley Smith.

I contacted Mr. McSwain and advised him of my conversation with Bishop Sheil and instructed him to arrange for Mr. Hosteny and another agent to immediately interview Charley Smith.

EAT:ml

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51 DEC 18 1947

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 11 1947

TELEMETER

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Mr. Nease	
Miss Gandy	

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WASH 9 FROM CGO 11 8-10 PM RLS

DIRECTOR AND SAC WASH FIELD (INDIANAPOLIS SEPARATELY ADVISED)

" U R G E N T " ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTERS. FROM A CONFIDENTIAL SOURCE AT THE AMERICAN CASUALTY COMPANY, CHICAGO, IT WAS LEARNED THAT JOHN DORR, DORR MIDWEST TRAILER SALES, CHARLESTOWN, INDIANA, CONTRIBUTED COLLATERAL IN THE AMOUNT OF FIVE THOUSAND DOLLARS TO SAID BONDING COMPANY IN BEHALF OF SUBJECTS IN ORIGINAL CASE IN NINETEEN FORTY THREE. DORR ALLEGEDLY GAVE AS COLLATERAL HIS PERSONAL CHECK DRAWN ON THE FIRST NATIONAL BANK OF CHARLESTOWN, INDIANA. IT IS SUGGESTED THAT HE BE INTEVIEWED IMMEDIATELY AND ASCERTAIN IF THE ABOVE AMOUNT IS THE TOTAL AMOUNT CONTRIBUTED TO SUBJECTS' BONDS AND WHETHER SUCH AMOUNT IS FROM HIS PERSONAL FUNDS OR WHETHER HE WAS ASSISTED IN RAISING SAID MONEY THRU SOMEONE ELSE. DETERMINE WHO REQUESTED MONEY AND PURPOSE FOR WHICH REQUESTED- HOW PAID - WHETHER CASHIERS CHECK, CERTIFIED CHECK, MONEY ORDER, PERSONAL CHECK OF WHAT OTHER FORM - WHO WAS CONTRIBUTION GIVEN TO, WHEN AND WHERE - WAS RECEIPT OBTAINED. ASCERTAIN CONVERSATION RELATIVE TO TRANSACTION - HAS MONEY BEEN REPAID, BY WHOM AND IN WHAT MANNER- WAS THERE ANY PROFIT, FEE, COMMISSION OR BONUS PROMISED FOR FURNISHING SAID CONTRIBUTION. DETERMINE IF ANY MONEY WAS GIVEN OR LOANED TO ATTORNEY BERNSTEIN, SUBJECTS' CHICAGO ATTORNEY, OR TO ANYONE TO ASSIST IN SETTLEMENT OF TAX CASES FOR SUBJECTS. ASCERTAIN IF DORR KNOWS OF ANY OTHERS WHO MAY HAVE CONTRIBUTED TO BAIL BOND IN NINETEEN FORTY THREE OR TAX SETTLEMENT IN NINETEEN FORTY SIX. ASCERTAIN AMOUNT OF CONTRIBUTION INVOLVED. DETERMINE IF DORR WAS EVER APPROACHED RELATIVE TO LOANING OR GIVING MONEY IN ANY WAY

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TO ASSIST IN THE SETTLEMENT OF TAX CLAIM, BAIL, BOND OR PAROLE OF SUBJECTS OR TO ASSIST SUBJECTS IN ANY MANER WHATSOEVER. DEVELOP INFORMATION RELATIVE TO DORR'S ACQUAINTANCE WITH SUBJECTS AND THE RELATIONSHIP THAT EXISTS BETWEEN HIM AND SUBJECTS. REBULET TO WASHINGTON FIELD DATED SEPTEMBER TWENTY SEVEN LAST, SUGGESTING CONDUCTING INVESTIGATION TO DETERMINE WHETHER ANY VIOLATION OF THE BRIBERY STATUTE OR OTHER CRIMINAL STATUTE IS PRESENT OR WHETHER THERE WERE ANY OTHER IRREGULARITIES IN CONNECTION WITH THE GRANTING OF THE PAROLE OF THESE SUBJECTS.

MC SWAIN

END ACK

cc: Mr McCabe

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 11

TELEMETER

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Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr.
Miss

"URGENT"

WASH 10 FROM CGO 11 8-30 PM RLS

DIRECTOR AND SACS WASH FIELD (MILWAUKEE SEPARATELY ADVISED)

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTERS. RECORDS OF THE AMERICAN CASUALTY COMPANY, CHICAGO, REFLECT THAT SANTO GAROFALO, THREE TWO ONE NAUGHT PIERCE STREET, CHICAGO, ADVANCED TEN THOUSAND DOLLARS CERTIFIED CHECK DRAWN ON THE CENTRAL NATIONAL BANK, CHICAGO, TO THE AMERICAN CASUALTY COMPANY TO BE USED AS PART OF BOND OF SUBJECT PAROLEES. MILWAUKEE REQUESTED TO INTERVIEW HIM AT MILWAUKEE MACARONI COMPANY, MILWAUKEE, DETERMINING IF THE ~~XXXX~~ ABOVE AMOUNT IS THE TOTAL AMOUNT CONTRIBUTED TO SUBJECTS' BONDS AND WHETHER SUCH AMOUNT IS FROM HIS PERSONAL FUNDS OR WHETHER HE WAS ASSISTED IN RAISING SAID MONEY THRU SOMEONE ELSE. DETERMINE WHO REQUESTED MONEY AND PURPOSE FOR WHICH REQUESTED, HOW PAID, AND WHETHER CASHIER'S CHECK , CERTIFIED CHECK, MONEY ORDER, PERSONAL CHECK OR WHAT OTHER FORM. WHO WAS CONTRIBUTION GIVEN TO, WHEN AND WHERE - WAS RECEIPT OBTAINED. ASCERTAIN CONVERSATION RELATIVE TO TRANSACTION - HAS MONEY BEEN REPAID, BY WHOM AND IN WHAT MANNER - WAS THERE ANY PROFIT, FEE, COMMISSION OR BONUS PROMISED FOR FURNISHING SAID CONTRIBUTION. DETERMINE IF ANY MONEY WAS GIVEN OR LOANED TO ATTORNEY BERNSTEIN, SUBJECTS' CHICAGO ATTORNEY, OR TO ANYONE TO ASSIST IN SETTLEMENT OF TAX CASES FOR SUBJECTS. ASCERTAIN IF GAROFALO KNOWS OF ANY OTHERS WHO MAY HAVE CONTRIBUTED TO BAIL BOND IN NINETEEN FORTY THREE OR TAX SETTLEMENT IN NINETEEN FORTY SIX. ASCERTAIN AMOUNT OF CONTRIBUTION

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PAGE TWO

INVOLVED. DETERMINE IF GAROFALO WAS EVER APPROACHED RELATIVE TO LOANING OR GIVING MONEY IN ANY WAY TO ASSIST IN THE SETLEMENT OF TAX CLAIM, BAIL BOND OR PAROLE OF SUBJECTS OR TO ASSIST SUBJECTS IN ANY MANNER WHATSOEVER. DEVELOP INFORMATION RELATIVE TO GAROFALO'S ACQUAINTANCE WITH SUBJECTS AND THE RELATIONSHIP THAT EXISTS BETWEEN HIM AND SUBJECTS. GAROFALO WAS PREVIOUSLY INTERVIEWED BY THIS OFFICE IN CONNECTION WITH LETTER HE WROTE ALLEGEDLY RECOMMENDING PAROLE, BUT HE HAS NOT BEEN QUESTIONED REGARDING ABOVE. EXPEDITE AND SUTEL CHICAGO, BUREAU AND WASHINGTON FIELD, SUBMITTING IMMEDIATE REPORT WITH COPIES TO ABOVE OFFICES. WASHINGTON FIELD ORIGIN.

MC SWAIN

END ACK

cc: Mr McCabe

COMMUNICATIONS SECTION

OCT 11

TELEMETER

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease

WASH 12 FROM CGO 11 8-46 PM

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DIRECTOR AND SAC WASH FIELD

ATTENTION ASST DIRECTOR A. ROSEN " U R G E N T "

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTER. JOHN SCANLAN ADVISED HE HAS BEEN ASSOCIATED WITH RACE TRACK ENTERPRISES FOR MANY YEARS AND BECAME VERY FRIENDLY WITH RALPH PIERCE, BOOKMAKER, FOR WHOM HE TRANSACTED BUSINESS. AS RESULT OF FRIENDSHIP WITH PIERCE, SCANLAN POSTED FIVE THOUSAND DOLLARS IN FORM OF CASHIER'S CHECK ON BEHALF OF PIERCE DEPOSITING CHECK AT OFFICE OF JOSEPH I. BULGER. THIS SUM WAS INTENDED TO APPLY EXCLUSIVELY TO PIERCE'S BOND AND PIERCE WAS ONLY DEFENDANT KNOWN BY SCANLAN, WHO SUBSEQUENTLY WAS REIMBURSED IN THAT AMOUNT BY SURETY COMPANY. SUM INVOLVED REPRESENTED PERSONAL FUNDS OF SCANLAN WHO ADVISED HE HAD NO INFORMATION CONCERNING INCOME TAX CONTRIBUTIONS AND HAD NO DATE CONCERNING POSSIBLE BRIBERY VIOLATION. DOROTHY PIERCE, WIFE OF CO-DEFENDANT RALPH PIERCE, CONFIRMED THAT TWELVE THOUSAND DOLLARS IN FORM OF CASHIER'S CHECK HAD BEEN POSTED WITH ATTORNEY BULGER ON EXCLUSIVE BEHALF OF HUSBAND RALPH PIERCE. THIS SUM REPRESENTED PERSONAL FUNDS OF BOTH. SHE WAS NOT APPROACHED TO ASSIST ANY OTHER CO-DEFENDANT AND WAS SUBSEQUENTLY REIMBURSED WHEN CASE AGAINST PIERCE DISMISSED. BOTH DOROTHY AND RALPH PIERCE DENIED HAVING BEEN APPROACHED CONCERNING INCOME TAX CONTRIBUTION AND DENIED ALL KNOWLEDGE OF POSSIBLE BRIBERY OR OTHER IRREGULARITIES. RUDOLPH SWANSON, GENERAL BOOKKEEPER AND PAYMASTER, LA MANTIA BROTHERS ARRIGO COMPANY, RECALLED HAVING POSTED BOND IN THE AMOUNT OF SEVENTY FIVE HUNDRED DOLLARS IN FORM OF

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PAGE TWO

CASHIER'S CHECK AS AN ACCOMMODATION FOR JOSE FUSCO MEMBER OF CHICAGO SYNDICATE KNOWN TO SWANSON FOR APPROXIMATELY TWENTY FIVE YEARS. NONE OF SUBJECTS KNOWN PERSONALLY TO SWANSON. CASHIER'S CHECK WAS GIVEN TO ATTORNEY BULGER AND SUM INVOLVED REPRESENTED SWANSON'S PERSONAL FUNDS. SWANSON WAS LATER REIMBURSED IN THAT AMOUNT BY SURETY COMPANY AND NO FURTHER REQUEST OR DEMAND WAS ADMITTED BY SWANSON, WHO ALSO DENIED KNOWLEDGE OF ANY BRIBERY OR OTHER IRREGULARITIES. WILLIE [redacted] HEENEY ON REINTERVIEW AT MERCY HOSPITAL TODAY STATED HIS MOST RECENT VISITS TO ST LOUIS WERE AT THE TIME OF THE DEATH OF HIS SISTER, VERONICA WILLEY, AND TO THE FUNERAL OF EDWARD BRADY. HEENEY KNEW BRADY FOR THIRTY YEARS, BUT ON [redacted] HIS VISIT TO ST LOUIS DID NOT DISCUSS THE PAROLE OF SUBJECTS WITH HIM. DOES NOT KNOW DILLON AND AS FAR AS HE CAN RECALL HAS NEVER MET HIM. HEENEY HAS NEVER MADE EFFORT HERE IN CHICAGO OR ELSEWHERE TO PROCURE PAROLE OF SUBJECT PAROLES. HAS NEITHER CONTRIBUTED NOR LOANED MONEY , OR HEARD OF SUCH ACTIVITIES, TO PROCURE PAROLES. KNOWS NOTHING OF ANY PRESSURE OR EFFORT TO APPOINT ANYONE TO PAROLE BOARD SO PAROLES COULD BE PROCURED. ADMITS GIVING TEN THOUSAND DOLLARS CASH TO JOE CORNGOLD, HIS PARTNER, TO BE USED TO SETTLE THE GOVERNMENT'S INCOME TAX CLAIM AGAINST CAMPAGNA. EXPECTS THIS MONEY TO BE RETURNED. HAS NO NOTE OR RECEIPT. HE HAS HEARD THAT OTHERS CONTRIBUTED TO THIS FUND WHICH WAS HANDLED BY CORNGOLD, BUT HE WOULD FURNISH NO NAMES. HE BELIEVES THAT CORNGOLD HEARD MONEY WAS NEEDED FOR THIS PURPOSE AND CONTACTED MRS. CAMPAGNA. SIGNED STATEMENT NOT SECURED BECAUSE OF [redacted] HEENEY'S EXTREME ILL

END PAGE TWO

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PAGE THREE

HEALTH. JOE CORNGOLD WILL BE CONTACTED MONDAY NEXT. TONY CAPEZIO ADMITTED HE HAD FURNISHED TWENTY FIVE THOUSAND DOLLAR BOND MONEY IN NINETEEN FORTY THREE WHICH WAS HANDLED BY TONY PALUMBO. CLAIMS HE HAS NOT BEEN APPROACHED FOR ANY FUNDS SINCE NINETEEN FORTY THREE, BUT WOULD HAVE CONTRIBUTED IF REQUESTED.

MC SWAIN

END ACK

3 TWO COPIES WFO cc: Mr McCabe

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 11 1947

TELEMETER

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	2
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Mr. Nease	
Miss Gandy	

WASH 13 FROM CGO 11 9-15 PM RLS

DIRECTOR AND SAC WASH FIELD

ATTENTION AST DIRECTOR A. ROSEN

"U R G E N T"

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/95 BY SP5 alc

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTERS. DAVID J. PEILET INTERVIEWED OCTOBER ELEVEN FORTY SEVEN ADMITTING POSTING THIRTEEN THOUSAND DOLLARS BOND IN BEHALF OF RALPH PIERCE. FIVE THOUSAND DOLLARS WAS FROM PERSONAL FUNDS OF PEILET AND EIGHT THOUSAND DOLLARS IN CASH WAS RECEIVED FROM DAVE RUSSELL WHO REQUESTED PEILET TO POST BOND UNDER HIS NAME IN BEHALF OF RALPH PIERCE. PEILET WAS REQUESTED PERSONALLY BY PIERCE TO POST BOND AND WAS LATER CONTACTED BY ATTORNEY BULGER TO BRING MONEY TO HIS OFFICE. AFTER BRINGING MONEY TO BULGER'S OFFICE PEILET ACCOMPANIED BY BULGER BROUGHT MONEY TO AMERICAN CASUALTY INSURANCE CO. PEILET STATES REASON FOR POSTING BOND WAS BECAUSE OF FRIENDSHIP WITH RALPH PIERCE AND OTHER MEMBERS OF THE CHICAGO SYNDICATE. PEILET ADMITTED THAT HE WAS PERSONALLY ACQUAINTED WITH AL CAPONE, RALPH PIERCE, JACK GUZIK, FISCHETTI BROTHERS AND OTHER MEMBERS OF THE CHICAGO SYNDICATE FOR THE PAST TWENTY YEARS. GREAT MANY PURCHASES ARE MADE BY MEMBERS OF THE CHICAGO SYNDICATE AT PEILET'S HABERDASHERY SHOP LOCATED IN THE HEART OF SCENE OF CAPONE'S FORMER OPERATIONS AT TWENTY SECOND AND MICHIGAN. PEILET STATED THAT NO PRESSURE WAS USED WHEN MONEY WAS REQUESTED, HOWEVER, HE STATES THAT HE FEEL THAT IF HE DID NOT POST MONEY FOR BOND THAT HE WOULD SUFFER A LOSS OF BUSINESS FROM HIS HOODLUM CLIENTELE. PEILET ALSO ADMITTED OPERATING AS A BOOKMAKER IN CONNECTION WITH HIS HABERDASHERY BUSINESS. PEILET

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cc: Mr. McCabe

DENIED KNOWLEDGE OF PERSONS CONTRIBUTING TO TAX SETTLEMENT OF CAMPAGNA ET AL. HE DENIES MAKING ANY CONTRIBUTIONS TO ANY OTHER COLLECTIONS INSTITUTED BY THE SYNDICATE. ANTHONY PERRY INTERVIEWED TODAY ADMITTED POSTING TEN THOUSAND DOLLARS IN BOND IN BEHALF OF PHILLIP D'ANDREA. HE STATED THAT HE WAS REQUESTED TO POST THE MONEY BY D'ANDREA WHO LATER REQUESTED HIM TO CONTACT ATTORNEY BULGER WHO ACCOMPANIED PERRY TO THE AMERICAN CASUALTY INSURANCE CO. WITH THE MONEY. REASON GIVEN BY PERRY FOR POSTING MONEY WAS PERSONAL FRIENDSHIP WITH D'ANDREA WHOM HE HAS KNOWN FOR THE PAST TWELVE YEARS. NO PRESSURE WAS BROUGHT ON PERRY TO POST MONEY. PERRY DENIES THAT HE PERSONALLY CONTRIBUTED TO TAX SETTLEMENT CASE OF CAMPAGNA ET AL. HOWEVER, PERRY ADMITS THAT HE HEARD "IN A SPOT" THAT "SOME ONE" WAS SOLICITING LOANS TO SETTLE THE TAX CLAIM OF CAMPAGNA ET AL. HE INDICATED THAT THIS PERSON WAS A PERSONAL FRIEND OF HIS BUT REFUSED TO DISCLOSE THE "SPOT" OR THE IDENTITY OF THIS PERSON. PERRY IS A BEER DISTRIBUTOR IN CHICAGO HEIGHTS, ILL. PERRY ALSO FURNISHED THE NAME OF WILLIAM DI AMICO, CHICAGO HEIGHTS, ILL, WHOM HE MET IN THE OFFICE OF ATTORNEY BULGER AT WHICH TIME DI AMICO TOLD HIM HE WAS CONTRIBUTING TO THE POSTING OF THE BOND OF D'ANDREA. THE AMOUNT OF MONEY CONTRIBUTED BY DI AMICO WAS NOT KNOWN BY PERRY. PERRY DENIES HAVING ANY KNOWLEDGE OF ANYONE ELSE WHO CONTRIBUTED TO POSTING OF BOND OR MADE CONTRIBUTIONS TO THE TAX SETTLEMENT OF CAMPAGNA ET AL. MRS. TONY BATTAGLIA, CHICAGO HEIGHTS, ILLINOIS, INTERVIEWED TODAY

END PAGE TWO

PAGE THREE

AND STATED THAT HER HUSBAND DIED FEBRUARY SEVENTH, NINETEEN FORTY SIX AT THE AGE OF FITY DUE TO A HEART ATTACK. MRS. BATTAGLIA DENIED HAVING ANY KNOWLEDGE THAT HER HUSBAND HAD CONTRIBUTED FIVE THOUSAND DOLLARS IN THE POSTING OF A BOND IN BEHALF OF SUBJECTS. SHE STATED THE ONLY KNOWLEDGE SHE HAS OF CASE IS WHAT SHE HAS READ IN THE NEWSPAPER.

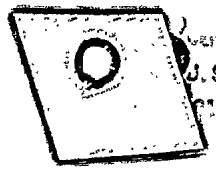
MC SWAIN

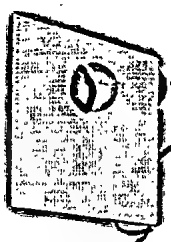
END ACK

CORRECTION

FIFTH WORD, SECOND LINE, SECOND PAGE SHOULD BE "FIFTY"

END AND ACK





U.S. DEPARTMENT OF JUSTICE

OCT 11 1947

TELETYPE METER

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Miss Gandy	

WASH 8 FROM CGO 11 7-30 PM RLS

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DIRECTOR AND SAC WAS FIELD 7" U R G E N T "

ATENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS ET AL, BRIBERY, PAROLE MATTER. CHARLES SMITH, EXECUTIVE DIRECTOR, CATHOLIC YOUTH ORGANIZATION, THIRTY ONE EAST CONGRESS ST, CHICAGO, INTERVIEWED TODAY BY SA PJ HAYES AND ASAC RN ~~HOSTENYAX~~ HOSTENY. SMITH STATED FIRST KNOWLEDGE HE HAD OF THE INTERJECTION OF NAME OF BISHOP BERNARD J. SHEIL INTO INSTANT MATTER OCCURRED AT APPROXIMATELY FOUR THIRTY PM SEPT. TWENTY THIRD LAST WHEN CHICAGO DAILY TIMES NEWSPAPER REPORTER PRUSINSKI (PHONETIC) TELEPHONICALLY ADVISED HIM HARRY ASH, SUPT. OF ILL. STATE CRIME PREVENTION BUREAU, HAD STATED TO PRUSINSKI THAT BISHOP SHEIL WAS SPONSORING PAROLE OF SUBJECT GIOE AND THAT WAS WHY, ASH DECLARED, HE FELT HE COULD HIMSELF WRITE A LETTER FOR SUBJECT GIOE - FURTHER, THAT PROSINSKI SAID CONGRESSMAN BUSBEY TOLD HIM HE UNDERSTOOD BISHOP SHEIL WAS SPONSORING PAROLE OF SUBJECT GIOE. THE NAME OF SIDNEY KORSHAK WAS NOT MENTIONED IN THIS CONVERSATION. SMITH DECLARED HE DENIED TO PRUSINSKI THAT BISHOP SHEIL HAD ANY CONNECTION WITH THE MATTER AND THE REPORTER SAID HE HAD NO INTENTION OF PRINTING BISHOP SHEIL'S NAME UNLESS THE BISHOP'S NAME CAME OUT IN THE CONGRESSIONAL HEARING WHICH WAS SCHEDULED FOR A FEW DAYS LATER. SMITH STATED THAT ABOUT THE SAME TIME CHICAGO TRIBUNE REPORTER DWYER TELEPHONICALLY ADVISED SMITH THAT DWYER UNDERSTOOD BISHOP SHEIL'S NAME WAS TO BE INTRODUCED AT THE CONGRESSIONAL HEARING AS A SPONSOR OF THE PAROLE OF SUBJECT GIOE. DWYER MENTIONED NO OTHER NAMES. SMITH ALSO DECLARED HE DENIED TO DWYER THAT THE BISHOP HAD ANY

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cc: Mr. McCabe

CONNECTION WHATSOEVER WITH THIS MATTER, WHEREUPON DWYER REQUESTED SMITH TO ISSUE A FORMAL STATEMENT TO THAT EFFECT. SMITH STATED HE DECLINED TO DO THIS INASMUCH AS HE FELT THE NEWSPAPER WOULD PRINT THE DENIAL AND THEREFORE BRING BISHOP SHEIL'S NAME INTO THE PICTURE. SMITH STATED HE VISITED THE OFFICES OF CONGRESSMAN FRED E. BUSBEY AND HARRY ASH THE MORNING OF THE TWENTY FOURTH. HE HAD FIRST DECLINED TO STATE WHETHER OR NOT HE WENT OVER THERE AT BISHOP SHEIL'S REQUEST AND THEN A MOMENT LATER SAID QUOTE I THINK I DID UNQUOTE. HE SAID HE HAD DISCUSSED THE MATTER WITH THE BISHOP AFTER THE RECEIPT OF THE AFOREMENTIONED PHONE CALLS FROM THE REPORTERS AND FOR THE FURTHER REASON THAT HE DESIRED TO PROTECT THE BISHOP'S NAME AND INSURE THAT IT DID NOT GET INTO PRINT IN VIEW OF THE BISHOP'S ABSENCE FROM THE CITY. SMITH STATED HE TOOK WITH HIM ROBERT E. BURNS, DIRECTOR OF PUBLIC RELATIONS, CYO, AS AN OBSERVER AND HE DECLARED HE DID NOT ADVISE BURNS OF THE REASONS FOR HIS CALL ON BUSBEY OR ASH, NOR DID HE GIVE BURNS ANY BACKGROUND INTO THE MATTER. SMITH SAID HE FIRST SAW CONGRESSMAN BUSBEY AND BUSBEY DENIED HE HAD INTRODUCED THE BISHOP'S NAME INTO THIS MATTER. BUSBEY SAID A NEWSPAPERMAN, NOT IDENTIFIED, HAD MENTIONED BISHOP SHEIL'S NAME TO HIM. SMITH STATED HE ADVISED BUSBEY THAT BUSBEY'S REMARKS TO A NEWSPAPERMAN WERE NOT IMMUNE AND THAT SMITH WOULD TAKE ALL NECESSARY LEGAL ACTION TO PROTECT THE BISHOP'S NAME. SMITH ADVISED HE AND BURNS THEN WENT TO THE OFFICE

END PAGE TWO

CORRECTION SECOND LAST LINE, SECOND LAST WORD SHOULD BE "PROTECT"

OF HARRY ASH AND TOLD ASH THAT HE, SMITH, HAD BEEN ADVISED THAT ASH HAD STATED HE HAD WRITTEN A LETTER FOR THE PAROLE OF SUBJECT GIOE BECAUSE OF THE FACT BISHOP SHEIL WAS SPONSORING THAT PAROLE FOR GIOE. SMITH STATED ASH SAID QUOTE THAT'S RIGHT UNQUOTE. SMITH THEN INQUIRED OF ASH AS TO WHOM HAD ADVISED ASH OF THAT PURPORTED FACT, AND ASH REPLIED TO SMITH THAT SIDNEY KORSHAK HAD TOLD HIM THAT. SMITH SAID HE THEN EMPHATICALLY DENIED TO ASH THAT BISHOP SHEIL WAS IN ANY MANNER WHATSOEVER CONNECTED WITH THE APPLICATION FOR PAROLE OF ANY OF THE SUBJECTS, WHEREUPON ASH ENDEAVORED TO DEFEND HIS ACTIONS BY STATING THE ONLY REASON HE HAD WRUTTEN A LETTER TO BE PAROLE ADVISER FOR SUBJECT WAS BECAUSE HE HAD BEEN A NEIGHBOR OF GIOE FOR APPROXIMATELY THIRTEEN YEARS - SECONDLY HE COULD NOT BELIEVE ALL THE THINGS HE HAD READ ABOUT GIOE BEING A VICIOUS CRIMINAL IN THE NEWSPAPERS - AND THIRDLY HE WAS GIVEN TO UNDERSTAND BY KORSHAK THAT BISHOP SHEIL WAS SPONSORING THE PAROLE OF SUBJECT GIOE. SMITH STATED ASH DECLARED HE DID NOT KNOW WHERE KORSHAK HAD OBTAINED THE BISHOP'S NAME BUT ASSUMED IT CAME FROM A GOOD SOURCE OR OTHERWISE HE FELT KORSHAK WOULD HAVE NEVER MENTIONED IT TO HIM. SMITH SAID HE REPLIED TO THAT BY STATING IT WOULD SEEM ONLY PROPER FOR ASH TO FIND OUT FOR HIMSELF WHETHER OR NOT BISHOP SHEIL WAS ACTUALLY SPONSORING THE PAROLE OF SUBJECT GIOE AND THAT ASH WAS ONLY A PHONE CALL AWAY FROM BISHP SHEIL. ASH REPLIED, ACCORDING TO SMITH, THAT HE WOULD NOT THINK OF QUESTIONING THE BISHOP ABOUT THAT MATTER. SMITH STATED THAT ASH THEN BROUGHT IN THE NAME OF JAMES DOHERTY, CHICAGO TRIBUNE REPORTER, BY STATING THAT BEFORE HE, ASH, WROTE ANY LETERS FOR SUBJECT GIOE HE DISCUSSED

END PAGE THREE

THE MATTER WITH DOHERTY WHO WAS ALLEGED TO HAVE TOLD ASH HE, DOHERTY, COULD NOT SEE ANY REASON WHY ASH COULD NOT SERVE AS A PAROLE ADVISER. SMITH SAID REGARDING THE ABOVE CONVERSATION, ASH DECLARED BISHOP SHEIL'S NAME WAS NOT MENTIONED IN HIS CONVERSATION WITH DOHERTY. SMITH SAID HE THEREUPON EXPRESSED HIS DESIRE TO TALK TO DOHERTY, AND ASH PHONED DOHERTY REACHING HIM IMMEDIATELY AT POSTL'S HEALTH CLUB. SMITH SAID HE DESIRED TO TALK TO DOHERTY FOR TWO REASONS, FIRST THAT HE REALIZED DOHERTY WAS WRITING ALL THESE STORIES AND WAS MORE OR LESS REGARDED BY SMITH AS THE SUPERIOR OF DWYER, AND SECONDLY, BECAUSE HE HAD HAD HEATED WORDS WITH DWYER WHEN DISCUSSING THE MATTER WITH HIM THE PREVIOUS EVENING OVER THE TELEPHONE. SMITH DECLARED WHEN HE TALKED WITH DOHERTY OVER THE TELEPHONE HE DENIED THAT BISHOP SHEIL HAD ANYTHING TO DO WITH THIS MATTER, AND SMITH ALLEGED DOHERTY REPLIED THAT HE KNEW THAT AND THAT HE WAS NOT GOING TO PRINT BISHOP SHEIL'S NAME IN THE PAPER. SMITH STATED THAT AT THE CONCLUSION OF HIS PHONE CONVERSATION WITH DOHERTY WHEN THEY WERE DISCUSSING THE CONGRESSIONAL HEARINGS AND THE POSSIBILITY OF BISHOP SHEIL'S NAME BEING MENTIONED, DOHERTY IS ALLEGED TO HAVE SAID IN EFFECT TO HIM, SMITH, NOT TO WORRY ABOUT THAT AS HE, DOHERTY, WAS WRITING THE QUESTIONS, WHICH TO SMITH MEANT THAT DOHERTY WAS WRITING THE QUESTIONS TO BE UTILIZED BY THE CONGRESSMEN AT THE FORTHCOMING CONGRESSIONAL HEARINGS. IN CONCLUDING THE INTERVIEW WITH ASH, SMITH STATED ASH DECLARED HE WOULD NOT MENTION THE BISHOP'S NAME EVEN IN ANSWER TO A DIRECT QUESTION AT THE CONGRESSIONAL HEARING. SMITH STATED ASH ALSO PROMISED AT HIS REQUEST TO HAVE KORSHAK PHONE SMITH, BUT TO THIS DATE SMITH STATED HE HAS NOT HEARD FROM KORSHAK. THE

ONLY FURTHER CONTACT WITH ANYONE REGARDING THIS MATTER, SMITH STATED, WAS AFTER THE TESTIMONY OF ASH WAS COMPLETED ASH TELEPHONICALLY ADVISED SMITH THAT NO QUESTIONS HAD BEEN ASKED REGARDING THE BISHOP AND THAT THE BISHOP'S NAME HAD NOT ARISEN DURING THE CONGRESSIONAL HEARING. ROBERT E. BURNS WAS INTERVIEWED AND SUBSTANTIATED GENERALLY STATEMENTS OF SMITH MADE WITH REFERENCE TO THEIR INTERVIEWS WITH HARRY ASH AND CONGRESSMAN BUSBEY IN WHICH HE HAD ACTED MERELY AS AN OBSERVER WITHOUT BENEFIT OF ANY PREVIOUS BACKGROUND KNOWLEDGE OF THIS CASE.

MC SWAIN

END ACK

AU OF INVESTIGATION
RTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 11 1947

TELEMETER

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. [illegible]
Mr. [illegible]
Mr. Nease

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2-10-10 BY SP5 C.E.

WASH 11 FROM CGO 11 8-40 PM RLS

DIRECTOR AND SAC WASH FIELD "U R G E N T Z"

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL, PAROLE MATTERS. SAM GAROFOLA ONE TWO THREE TWO VINE STREET, STATES HE WAS APPROACHED BY THOMAS ONELIA TO PUT UP BOND FOR PHILLIP D'ANDREA. HE PUT UP FIVE THOUSAND DOLLARS OF HIS OWN MONEY DELIVERING CASHIER'S CHECK TO AMERICAN CASUALTY CO. SUBSEQUENTLY REPAID BY CHECK OF BONDING CO. RECEIVED NO PROFIT ON TRANSACTION. PUT UP MONEY SOLELY BECAUSE D'ANDREA WAS PAST PRESIDENT OF ITALO-AMERICAN UNION. DOES NOT KNOW ANYONE OF PAROLEES PERSONALLY AND HAS NO SOCIAL OR BUSINESS CONTACT WITH THEM. HAS ADVANCED NO MONEY TO ASSIST IN SETTLEMENT OF INCOME TAX CLAIMS OR TO SECURE PAROLES AND KNOWS OF NO ONE WHO HAS. DOES NOT KNOW ATTORNEY BERNSTEIN. JACK SUSSMAN ON REINTERVIEW STATES HE PUT UP FIFTY THOUSAND DOLLARS FOR BOND OF PAUL DE LUCIA, TWENTY FIVE THOUSAND OF THIS WAS GIVEN HIM BY DE LUCIA, TEN THOUSAND WAS HIS OWN MONEY, TEN THOUSAND HE BORROWED FROM HIS PARTNER JOS SABET, FIVE THOUSAND HE BORROWED FROM BROTHER MATT SUSSMAN. SUSSMAN STATES THIS FIFTY THOUSAND WAS TURNED OVER BY HIM TO THE CLERK OF THE US DISTRICT COURT. HE STATES HE HAS NO IDEA HOW THE NAME OF HIS SISTER, BETTY SUSSMAN, CAME TO BE SHOWN AS ONE OF THE PERSONS PUTTING UP BOND MONEY FOR SUBJECT PAROLEES. CHARLES FISCHETTI DENIED THAT HE HAS ANY KNOWLEDGE AS TO HOW SUBJECTS OBTAINED THEIR PAROLE. HE CATEGORICALLY DENIED THAT HE HAD EVER REQUESTED ANY ATTORNEY OR ANYONE ELSE TO INTERCEDE INTERCEDE IN SUBJECT'S BEHALF TO SECURE THEIR TRANSFER FROM ATLANTA PENITENTIARY TO LEAVENWORTH OR TO TAKE ANY ACTION IN THEIR BEHALF ON THE MAIL FRAUD INDICTMENT. CHARLES FISCHETTI ALSO

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DEC 18 1947

TWO COPIES WFO

DENIED THAT HE HAD CONTRIBUTED ANY MONEY TOWARDS ARRANGING SUBJECTS BONDS OR REQUESTED ANYONE ELSE TO DO SO. FISCHETTI ADMITTED THAT HE WAS WELL ACQUAINTED WITH ALL OF THE SUBJECTS IN INSTANT CASE.

MC SWAIN

END ACK

cc: Mr. McCabe

AL BUREAU OF INVESTIGATION
. DEPARTMENT OF JUSTICE
MUNICATIONS SECTION

OCT 11 1947

TELEMETER

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Miss Gandy

ALL INFORMATION CONTAINED
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DATE 2-10-95 BY SP5 CAS

WASH 7 FROM CGO 11 7-25 PM RLS

DIRECTOR AND SAC WASH FIELD "U R G E N T"

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTERS. RE PHONE REQUEST OF INSPECTOR E. J. MC CABE FOR DISPOSITION OF ARRESTS OF SUBJECTS NOT PREVIOUSLY KNOWN TO BUREAU. CHECK OF THE RECORDS OF CHICAGO PD TODAY RECORD THAT SUBJECT CAMPAGNA WAS ARRESTED DECEMBER NINETEEN, NINETEEN THIRTY TWO, ON A GENERAL PRINCIPALS CHARGE WITH NO DISPOSITION BEING SHOWN. DELUCIA AS ~~[illegible]~~ PAUL RICCA WAS ARRESTED JANUARY TWENTY THIRD, NINETEEN TWENTY SEVEN, ~~[illegible]~~ GENERAL PRINCIPALS WITH NO DISPOSITION SHOWN. PHILLIP D'ANDREA WAS ARRESTED NOVEMBER SECOND, NINETEEN THIRTY TWO, GENERAL PRINCIPALS, WITH NO DISPOSITION SHOWN. NO RECORD ~~[illegible]~~ ON ~~[illegible]~~ CHARLES GIOE AND JOHN ROSELLI. REFERENCE IS MADE TO REPORT OF SPECIAL AGENT(A) JAMES E. ~~[illegible]~~ CONNERTY DATED MAY EIGHTEEN, NINETEEN FORTY THREE AT CHICAGO ILLINOIS IN CASE ENTITLED "WILLIAM BIOFF, WAS, ANTI RACKETEERING, MAIL FRAUD". THIS REPORT CONTAINS COMPLETE CRIMINAL RECORD AS SHOWN BY BUREAU OF RECORDS, CHICAGO PD, WITH DISPOSITIONS FOR SUBJECTS CAMPAGNA, D'ANDREA, ~~[illegible]~~ GIOE, DE LUCIA. REFERENCE IS ALSO MADE TO REPORT OF SA (A) JAMES E. CONNERTY, DATED SEPTEMBER SIXTEEN, NINETEEN FORTY THREE AT CHICAGO, ILLINOIS IN SAME CASE IN WHICH IS INCLUDED RESULTS OF INVESTIGATION OF RECORDS OF SUPERIOR COURT CLERK'S OFFICE IN CHICAGO, ILLINOIS PERTAINING TO SUBJECT CAMPAGNA. THIS REPORT

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DEC 3 1947

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END PAGE ONE

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PAGE TWO

ALSO CONTAINS HISTORICAL BACKGROUND OF SUBJECTS GIOE, DE LUCIA AND D'ANDREA. WITH RESPECT TO SUBJECT ROSELLI IT IS NOTED THAT SUBJECT ROSELLI HAS SPENT MOST OF HIS ADULT LIFE IN AND AROUND LOS ANGELES, CALIFORNIA.

MC SWAIN

END ACK

TWO COPIES ~~WFO~~

cc: MJM McCabe

FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: ASSISTANT DIRECTOR A. ROSEN

DATE: October 11, 1947

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was, etal
BRIBERY

There is attached a clipping from the Chicago Daily Tribune of October 10, 1947, with regard to the above captioned case.

MG
Encl.

1 ENCL

RECORDED 56-2000-221

32 DEC 3 1947

51 DEC 18

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

FILE NO. 58-194

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
CHICAGO, ILLINOIS	10/11/47	10/11/47	RICHARD N. HOSTENY RNH:eak

TITLE	CHARACTER OF CASE
LOUIS CAMPAGNA, with aliases, et al	BRIBERY PAROLE MATTER

SYNOPSIS OF FACTS: CHARLES SMITH, Executive Director, C.Y.O., stated he learned of interjection of Bishop SHEIL's name into instant matter from Chicago newspaper reporters DWYER, of the Tribune, and PRUSINSKI (ph.), of the Times, the former advising he was told by HARRY ASH and Congressman FRED E. BUSBEY that Bishop SHEIL was sponsoring parole of Subject GIOE. SMITH alleged DWYER advised him he understood Bishop's name would be introduced at Congressional hearings. SMITH interviewed BUSBEY, who denied above statement, and ASH also interviewed by SMITH, who stated his source was SIDNEY KORSHAK.

2/12/95 SPSA (CR) NO STATISTICS DEC 2 03 PM '47 FBI

- P -

REFERENCE: Conference teletype from Los Angeles to Bureau, Washington Field and Chicago, October 8, 1947.

DETAILS: At Chicago, Illinois

CHARLES SMITH, Executive Director, Catholic Youth Organization, Room 212, 31 East Congress Street, was interviewed by Special Agent PAUL J. HAYES and Assistant Special Agent In Charge R. N. HOSTENY. SMITH advised that the first knowledge he had of the interjection of the name of Bishop BERNARD J. SHEIL into the instant matter occurred at approximately 4:30 P.M., September 23, 1947. SMITH stated that at this time he was in receipt of a telephone call from a reported named PRUSINSKI (phonetic), of the Chicago Daily Times newspaper, who advised him that he, PRUSINSKI, had been informed by HARRY ASH, Superintendent of the Illinois State Crime Prevention Bureau, that Bishop SHEIL was sponsoring the parole of Subject GIOE, and further, ASH is alleged to have advised

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7-2034

PRUSINSKI that was why he, ASH, declared he himself could write a letter for Subject GIOE. SMITH further informed that PRUSINSKI also advised him that Congressman FRED E. BUSBEY told PRUSINSKI he understood Bishop SHEIL was sponsoring the parole of Subject GIOE. SMITH stated that name of SIDNEY KORSHAK was not mentioned in this conversation and no other names were mentioned.

SMITH advised he promptly denied to PRUSINSKI that Bishop SHEIL had any connection with the instant matter in any way whatsoever, and SMITH said the reporter informed him he had no intention of printing Bishop SHEIL's name in the newspaper unless the Bishop's name came out in the Congressional hearings which were scheduled to be held in Chicago a few days later.

SMITH stated that about the same time on September 23, 1947, he received a phone call from the Chicago Tribune newspaper reporter named DWYER, who advised him he, DWYER, understood Bishop SHEIL's name was to be introduced at the Congressional hearings as a sponsor of the parole of Subject GIOE. DWYER, in this conversation, SMITH said, mentioned no other names. SMITH also declared he denied to DWYER that the Bishop had any connection whatsoever with this matter, whereupon DWYER requested SMITH to issue a formal statement to that effect. SMITH advised he declined to do this inasmuch as he felt the newspaper would print the denial and therefore bring Bishop SHEIL's name into the picture. SMITH further informed that he visited the offices of Congressman FRED E. BUSBEY and HARRY ASH the following morning, namely September 24, 1947. SMITH, at first, declined to state whether or not he visited BUSBEY and ASH at Bishop SHEIL's request, but a moment later said, "I think I did." SMITH said he had discussed the matter with Bishop SHEIL after receipt of the aforementioned phone calls from the reporters, and for the further reason that he desired to protect the Bishop's name and insure that it did not get into print, in view of the Bishop's absence from the city, he visited Congressman BUSBEY and HARRY ASH. SMITH said he was accompanied on these visits by ROBERT E. BURNS, Director of Public Relations, Catholic Youth Organization, as an observer, and he advised he did not inform BURNS of the reasons for his call on BUSBEY or ASH, nor did he give BURNS any background of the instant matter.

SMITH said he first saw Congressman FRED E. BUSBEY and confronted him with the information he had. SMITH alleged BUSBEY denied introducing the Bishop's name into this matter and said that a newspaper man, not identified, had mentioned Bishop SHEIL's name to him. SMITH further stated he advised BUSBEY that BUSBEY's remarks to newspaper men were not immune and that SMITH would take all necessary legal action to protect the Bishop's name. SMITH said he of course denied that Bishop SHEIL had any connection with the instant matter.

SMITH then stated he and BURNS next went to the office of HARRY ASH and told

ASH that he, SMITH, had been advised that ASH had stated he had written a letter for the parole of Subject GIOE because of the fact that Bishop SHEIL was sponsoring the parole for GIOE. SMITH alleged that ASH stated, "That's right." SMITH said he then inquired of ASH as to who had advised him of that purported fact, and ASH replied that SIDNEY KORSHAK had told him that. SMITH said he then emphatically denied to ASH that the Bishop was in any manner whatsoever connected with the application for parole of any of the subjects, or that he knew of anything regarding instant matter. SMITH said ASH then endeavored to defend his actions by stating the only reason he had written a letter to be parole supervisor for Subject GIOE was because he had been a neighbor of GIOE for approximately thirteen years, secondly, he could not believe all the things he had read about GIOE being a vicious criminal in the newspapers, and thirdly, in view of the fact he was given to understand by KORSHAK that Bishop SHEIL was sponsoring the parole of GIOE, he felt that he himself could act as he did in the matter.

SMITH further alleged that ASH declared he did not know the source of KORSHAK's information regarding the Bishop, but assumed it came from a good source, as he felt KORSHAK otherwise would never have mentioned it to him. SMITH stated that he informed ASH that it would seem only proper for ASH to find out for himself whether or not Bishop SHEIL was actually sponsoring the parole of Subject GIOE and that ASH was only a phone call away from the Bishop. According to SMITH, ASH replied he would not think of questioning the Bishop about that matter.

SMITH next declared that ASH then brought in the name of JAMES DOHERTY, Chicago Tribune reporter, stating that before he, ASH, wrote any kind of a letter for Subject GIOE he discussed the matter with DOHERTY, who allegedly told ASH that he, DOHERTY, could not see any reason why ASH could not serve as a parole supervisor.

Regarding the above conversation, SMITH stated ASH declared Bishop SHEIL's name was not mentioned in his conversation with DOHERTY. At this time of that interview, SMITH said he expressed his desire to speak with DOHERTY, in view of the fact he realized DOHERTY was writing all the stories in the newspaper and was more or less regarded by SMITH as a superior of DWYER, and secondly, because he, SMITH, had had heated words with DWYER when previously discussing the matter with him on the telephone. SMITH declared ASH was able to quickly reach DOHERTY at Postl's Health Club, 73 West Monroe Street, and SMITH said when he talked with DOHERTY over the phone he denied Bishop SHEIL had anything to do with this matter. Next, SMITH alleged DOHERTY replied that he knew that, and he was not going to print Bishop SHEIL's name in the paper. SMITH said at the conclusion of his phone conversation with DOHERTY they were discussing the forthcoming Congressional hearings, and the

possibility of Bishop SHEIL's name being mentioned, and SMITH alleged DOHERTY stated in effect for SMITH not to worry about that as he, DOHERTY, was writing the questions. SMITH said to him this meant DOHERTY was writing the questions to be utilized by the Congressmen at the forthcoming Congressional hearings. In concluding his interview with ASH, SMITH stated ASH declared he would not mention the Bishop's name, even in answer to a direct question at the Congressional hearings. SMITH also said ASH promised, at his request, to have KORSHAK phone SMITH, but to this date, SMITH stated he has not heard from KORSHAK. SMITH said the only further contact he has had with anyone regarding this matter was with ASH when, after the completion of the testimony of ASH before the Congressional hearings, ASH telephonically advised him that no questions had been asked regarding Bishop SHEIL, and that the Bishop's name had not arisen during the Congressional hearings.

ROBERT E. BURNS, Public Relations Director, Catholic Youth Organization, 31 East Congress Street, was also interviewed by Special Agent PAUL J. HAYES and Assistant Special Agent In Charge R. N. HOSTENY. BURNS stated he had accompanied CHARLES SMITH to the offices of Congressman FRED E. BUSBEY and HARRY ASH on September 24, 1947, and that he had merely acted as an observer and was not in possession of the reasons for SMITH's visit to these gentlemen. BURNS stated he recalled that BUSBEY denied he was responsible for circulating any rumors regarding the intercession of Bishop SHEIL on behalf of any of the subjects, but declared he had heard such rumors from an unknown source. BURNS stated SMITH told BUSBEY that Bishop SHEIL was not involved in any manner and that he and SMITH were not only interested in denying the rumors, but only interested in seeing that Bishop SHEIL's name was not ever mentioned. BURNS stated BUSBEY alleged he would not mentioned Bishop SHEIL's name and that he then volunteered that he had received the information about Bishop SHEIL from a Chicago Times newspaper reporter, who he did not identify. BURNS said he and SMITH then went to the offices of HARRY ASH, who advised them that the source of ASH's information was SIDNEY KORSHAK. BURNS further confirmed the statements of SMITH regarding further conversations with HARRY ASH during their interview with him.

- P E N D I N G -

GAG ON LAWYER IN PAROLE QUIZ MAY BE LIFTED

Probers Seek Link with 'Crime Syndicate'

BY JAMES DOHERTY
[Chicago Tribune Press Service]

New York, Oct. 9—Boris Kostelanetz, the former government prosecutor who sent Paul Ricca, head of a national crime syndicate, and three other Chicago gangsters to prison under 10 year sentences—which the United States parole board cut to 3½ years—said today he is not free to discuss the connections, if any, of the Chicago gang with New York's underworld leaders. He can only do so when subpenaed, he said, and word from Washington was that a subpena will be issued for him to appear in the near future, tho for the present only an invitation to appear has been extended.

Kostelanetz said the federal department of justice has restrained him from making public anything relating to the subject of a congressional investigation into the paroles granted Ricca, Louis Campagna, Phil D'Andrea, and Charles Gioe.

Rep. Hoffman [R., Mich.] and Rep. Busbey [R., Ill.] extended an invitation to Kostelanetz to appear before a branch of the house committee on expenditures.

Seek Facts on Gangs

They said they want facts about the national crime organization which J. Edgar Hoover, director of the federal bureau of investigation, reported to former Atty. Gen. Biddle. Biddle informed congress that Campagna was head of this national organization of criminals and that Ricca, under the alias of Delucia, was its treasurer.

"That statement must be followed up," Busbey said in disclosing that the committee wanted to hear from Kostelanetz. "Congress should know the details of such a menace to law and order at home."

Busbey said the congressmen want Kostelanetz to say whether he has knowledge of the link between the Ricca syndicate of Chicago [which includes the Guzik gambling racketeers] and the union pirates headed until recently by George Scalise of New York, who is serving 10 to 20 years for embezzling union funds.

Didn't Prosecute Scalise

Kostelanetz, who represented the government in the trial of Ricca, Campagna, D'Andrea, and Gioe, is in private practice.

Kostelanetz, however, said he did not prosecute Scalise. The records show that Murray Gurfein, head of the rackets bureau in the office of former prosecutor Thomas Dewey, had evidence that the Chicago and New York "mobs" worked together.

The data which the congressmen want introduced into their records concerns the operations of Scalise, as international president of the AFL Building Service Employes union; of George E. Browne [who testified against Ricca and the other Chicagoans], as head of the AFL International Alliance of Theatrical and Stage Employes; the late Mike Carrozzo, head of numerous paving and street cleaning unions, and others, according to Busbey.

Capone Role Recalled

The Chicago gang organized by the late Al Capone had seized control of the bartenders' union, a few of the building trades unions, some teamsters' and chauffeurs' unions, the theatrical union, it was recalled, and they worked with criminals who had seized unions in other cities, according to data the congressmen said they wanted to develop in Washington.

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ENCLOSURE

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CHICAGO DAILY TRIBUNE

Oct 10, 1947

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

FILE NO. 58-194

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
CHICAGO, ILLINOIS	10/13/47	10/11,13/47	WAYNE S. MURPHY (A) WSM:amd

TITLE	CHARACTER OF CASE
LOUIS CAMPAGNA, WAS.; ET AL	BRIBERY PAROLE MATTER

SYNOPSIS OF FACTS:

Persons who contributed cash collateral for bonds of subjects interviewed. Maintain these contributions were made because of friendship with the subjects or at the request of mutual friends. Subject DeLUCIA personally furnished $25,000.00 which was put up by JACK SUSSMAN. These witnesses deny that any pressure or coercion was brought to bear in connection with the securing of this collateral. Returned to them after subjects were sentenced. With the exception of one witness who received a fee of $250.00 for his contribution of $10,000.00. None of the remaining witnesses interviewed received any interest or bonuses on the cash advances. All deny contributing any additional funds in behalf of subjects for any purpose with the exception of JOE CORNGOLD, a local gambler, who stated "Maybe I put up the same amount (referring to WILLIE HEENEY), maybe less, maybe more. I might have borrowed money from friends to help a friend. Anything to keep a friend from having to stay in any longer than is necessary." CORNGOLD declined to elaborate or make any further statements concerning this matter. ROBERT PETRONE, Ward Committeeman, 26th Ward, advised no blood shed in any wards during November, 1946 elections to his knowledge. Stated only ward wherein Republican vote dropped during same election was 20th Ward and that cooperation might have existed in this ward between Republicans and Democrats but that reason was the trading of political jobs between parties not the release of subjects from penitentiary. CHARLES FISCHETTI denies any knowledge of manner in which subjects obtained their paroles. Denies interceding [illegible]

NO STATISTICS

Oct 15 11 45 AM '47

2/10/95 SP5CA(CR)

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2 Washington Field (AMSD)
4 Chicago

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them either with respect to obtaining their transfer from Atlanta Penitentiary or in obtaining a nolle prosequi of a mail fraud indictment.

- P -

Chicago File 58-194
WSM:amd

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FBI

Chicago File 58-194

REFERENCE: Bureau letter to Washington Field dated September 22, 1947. Report of Special Agent (A) WAYNE S. MURPHY dated October 11, 1947 at Chicago, Illinois.

DETAILS: AT CHICAGO, ILLINOIS

Chicago File 58-194
FFS:FO

The following was dictated by Special Agent FRANK F. STAAB:

ANTHONY (TOUGH TONY) CAPEZIO, a known member of the CAPONE-GUZIK Gang, Chicago, resides at 1048 Ashland Avenue, River Forest, Illinois. He has an unlisted telephone number, Forest 3671, and uses the alias "WEBBER."

On October 11, 1947, pursuant to information that he had furnished $25,000 bond money in 1943, at which time the four CAPONE hoodlums were at liberty, CAPEZIO was interviewed. He admitted to Special Agent JOHN R. PAUL and the writer that he had furnished the above amount for bond which enabled the four parolees to have a few days liberty in Chicago. The gang asked for this contribution which was handled by TONY PALUMBO, according to CAPEZIO, and was returned to him. He denied having been approached for funds in the present matter; however, he volunteered the information that, if requested, he would contribute.

Chicago File 58-194
PCD:EOD

GEORGE E. CHRISTOS was interviewed by Special Agents WILLIAM M. O'BRIEN and PHILIP C. DUNNE on October 11, 1947.

GEORGE E. CHRISTOS, 1823 51st Avenue, Cicero, Illinois, stated he posted a $10,000 bond for subject CAMPAGNA by cashier's check drawn on the First National Bank of Chicago sometime during March, 1943. CHRISTOS advised that the money was from his own personal funds and he was requested to place this bond for CAMPAGNA by a person other than CAMPAGNA whose identity he does not recall at the present time. He stated that at that time he was operating the 4811 Club in Cicero, Illinois. The bond was paid for by check and, to the best of his recollection, he took the check to an attorney in Chicago, whose name he does not recall but it may have been Attorney JOE BULGER, who in turn placed the bond with a bonding company in Chicago. He could not recall the name of the bonding company. CHRISTOS received a receipt for the money but does not recall the conversation or circumstances surrounding his posting of the $10,000 bond for CAMPAGNA. He stated he was repaid the $10,000 bond by a check after CAMPAGNA was sentenced to the Atlanta Penitentiary. He denies receiving any profit, fee or commission for posting the bond, stating he did it as a personal favor for CAMPAGNA, whom he knew only as a customer at the 4811 Club in Cicero, Illinois.

CHRISTOS denied knowing Attorney EUGENE BERNSTEIN or any of the subjects in this case, with the exception of CAMPAGNA. He denied also any connection whatsoever with CAMPAGNA or any of the other parolees since 1943 and denies furnishing any funds to Attorney BERNSTEIN for the income tax settlement of CAMPAGNA or any other subjects involved in this case. He stated he did not gave any assistance in any manner to any of the other subjects in this case.

Chicago File 58-194
JEH:MMS

On October 13, 1947, Mr. JOE CORNGOLD was interviewed at his place of business, 5914 West Cermak Road, Cicero, Illinois, by Special Agents JOE C. WHEELER and JOHN E. HOWARD. Mr. CORNGOLD advised that he had at no time furnished any money to any one to be used for the purpose of a bond for LOUIS CAMPAGNA or any of the other subject parolees at the time of their arrest in 1943. He stated that he had nothing to do with effecting the paroles of subject parolees, that he did not raise any money to be used for the payment of bribes or for any other purpose regarding the procuring of these paroles. He states that he knows nothing of any improper activities in connection with the procuring of the paroles of subject parolees.

In regard to the raising of the money to be used to pay off the government's income tax claim against LOUIS CAMPAGNA and other subject parolees, CORNGOLD stated that he would not discuss that matter at the present time. Mr. CORNGOLD was specifically told that it was known to Agents that his partner had put up $10,000.00 to be used in paying off the government's income tax claim against LOUIS CAMPAGNA. Mr. CORNGOLD would neither affirm nor deny this fact but stated that "Maybe I put up the same amount, maybe less, maybe more. I might have borrowed money from friends to help a friend. Anything to keep a friend from having to stay in any longer than is necessary."

When asked when would be the right time to talk about this matter, he stated "I don't know. Maybe tomorrow, maybe next week, maybe next month. You fellows probably know better than I but not now."

It is to be noted that JOE CORNGOLD is presently the partner of WILLIE HEENEY in a bookie establishment and tavern operated at the above set out address and he refers to LOUIS CAMPAGNA as his former partner.

Chicago File 58-194
DJMcC:BHW

The following investigation was conducted by Special Agents STANLEY S. PECK and DANIEL J. MC CARTHY:

CHARLES FISCHETTI was interviewed at his apartment, No. 14F, 3100 Lake Shore Drive. FISCHETTI admitted that he was friendly with PAUL DeLUCIA and the remaining subjects in instant case. He denied that he had ever requested Attorney GEORGE WOLF or anyone else to intercede on behalf of the subjects to secure a transfer for them from the Atlanta Penitentiary to Leavenworth. He further denied that he had ever requested anyone to intercede on their behalf with reference to the mail fraud indictment that had been brought against the subjects.

FISCHETTI stated that he was completely ignorant of how subjects secured their parole. He denied that he had contributed any money towards making their bond or requested anyone else to do so. He stated that he knew nothing about any money being paid to obtain their parole and further stated that he personally knew nothing more than he read in the papers concerning this matter.

58-194
PCD/go

The following investigation was conducted by Special Agents PHILIP C. DUNNE and DANIEL J. McCARTHY:

NATE JACOBS of the Nate Jacobs and Company Insurance, 209 West Jackson Boulevard, Chicago, was interviewed October 13, 1947 and he states he furnished $2500.00 of a $5000.00 bond for subject RALPH PIERCE on or about April 8, 1943. JACOBS states the remaining $2500.00 was given him by SAM ROTHCHILD of Chicago, Illinois, for a $5000.00 bond for RALPH PIERCE. JACOBS states he then took the $5000.00 and secured a cashier's check from the Industrial National Bank in the amount of $5000.00, Check No. 41794, and took the money to the American Casualty Company of Chicago, Illinois, for handling of the bond. JACOBS advised that at the time he secured the bond he did not know RALPH PIERCE personally but has since met him. JACOBS states he furnished the $2500.00 of the $5000.00 bond at the specific request of SAM ROTHCHILD and performed this act only as a personal favor to ROTHCHILD and received nothing in return.

JACOBS advised he received a receipt for his share of the $5000.00 bond and that the money was repaid him in cash about one year after he posted the bond and received the cash from SAM ROTHCHILD. The bonding company refunded the entire $5000.00 possibly two weeks ago. JACOBS states that the entire proceeds of this check were turned over to HARRY RUSSELL, at the direction of SAM ROTHCHILD. JACOBS cannot account for or explain the delay in the bonding company's refunding of the $5000.00. He states that HARRY RUSSELL and DAVE RUSSELL at one time had an interest in Russell's Bar and Grill, State and Van Buren Streets, Chicago, Illinois.

JACOBS denies knowing Attorney EUGENE BERNSTEIN personally and just recently heard of him due to the fact that BERNSTEIN is handling some property and JACOBS is handling the insurance on this property. JACOBS states he would not know him if he were to see him on the street and has never been introduced to him. He denies knowing any of the other subjects in this case, and denies contributing in any manner, shape or form to a fund either known or unknown and denies assisting in any manner with the income tax settlement cases of the subjects in this case.

Chicago File 58-194
DEW:KSS:amd

The following investigation was conducted by Special Agents KENNETH S. SMITH and DOUGLASS E. WENDEL October 13, 1947.

ROBERT PETRONE, 1425 West Grand, Chicago, was interviewed at his office in the 26th Ward Republican Organization, 636 North Racine, Chicago. He advised that he had no knowledge of any blood shed in any of the wards during the November, 1946, election and that he had no knowledge of any cooperation between the Republican and Democratic parties in his ward during this same election. He stated that the records show that his ward increased the Republican vote by 2% during the election. PETRONE advised that only one ward to his knowledge had had a large decrease in Republican vote during the November, 1946, election and that was the 20th Ward. He stated that he did not believe this was due to any cooperation between the Republicans and Democrats in an effort to secure the release of the subjects from the penitentiary but it was his opinion that the cooperation was for the purpose of trading political jobs. He stated that he had no knowledge nor had he heard any rumors of any irregularities in respect to securing the paroles by the subjects and that he had heard of no bribery payments in the subjects' behalf. PETRONE stated he knew subject GIOE and HARRY ASH because of the fact that they both resided in his ward in the past and both worked for FRED ERICSON, former Ward Committeeman of the 26th Ward.

Chicago File 58-194
EJM:rmb

The following was dictated by SA EDWARD J. MARTIN:

DOROTHY PIERCE, wife of RALPH PIERCE, who resides at 7743 South Merrill, Chicago, was interviewed on October 11, 1947, by Special Agents ALBERT J. RUSHING and EDWARD J. MARTIN. She recalled having posted a $12,000 cashier's check to apply exclusively on the bail of RALPH PIERCE. She produced a receipt for the cashier's check reflecting that it was issued by the National Bank of Hyde Park, Chicago, for $12,000 payable to DOROTHY PIERCE and given to the American Casualty Company. The sum involved was derived from the personal funds of DOROTHY and RALPH PIERCE. Mrs. PIERCE stated she had not been requested to post bondon behalf of any other defendants. Subsequent to the dismissal of the case against PIERCE, she was reimbursed in that amount but was unable to recall whether the money was received from JOSEPH I. BULGER, attorney, with whom she originally deposited the cashier's check, or by a bonding company.

Both Mr. and Mrs. PIERCE denied any knowledge of the tax contributions subsequently made on behalf of CAMPAGNA and DeLUCIA, and both stated they had no information whatsoever concerning possible bribery or other irregularities.

RALPH PIERCE admitted he presently operates a handbook but declined to furnish his business address.

Chicago File 58-194
EJM:rmb

The following was dictated by SA EDWARD J. MARTIN:

JOHN SCANLAN, 7438 South Prairie, Chicago, was interviewed alone on October 10, 1947, in the law offices of SOL R. and IS. FRIEDMAN, 77 West Washington, Room 1717, Chicago, by Special Agents ALBERT J. RUSHING and EDWARD J. MARTIN.

SCANLAN explained he has been associated in the race track business for many years, previously having been associated with JOHN J. LYNCH, representative of MOE ANENBERG. At the present time SCANLAN is associated with Arlington Park and Washington Park race tracks. As a result of his racing interests, SCANLAN developed the friendship of RALPH PIERCE, bookmaker. SCANLAN advised that he posted a $5,000 cashier's check at the request of PIERCE to be applied on the bail of PIERCE. None of the other co-defendants were ever known by SCANLAN. The money involved represented the personal funds of SCANLAN, and the cashier's check was left with JOSEPH I. BULGER, attorney. SCANLAN was of the opinion that he received a receipt from BULGER. Subsequently, SCANLAN was reimbursed in that amount by a surety company and signed various documents believed to have been receipts.

SCANLAN insisted that he was never approached to assist in the income tax contribution on behalf of CAMPAGNA or DeLUCIA, both of whom are unknown to SCANLAN. Similarly, he advised he has no information indicating possible bribery or other irregularities.

Chicago File 58-194
EJM:rmb

The following was dictated by SA EDWARD J. MARTIN:

RUDOLPH SWANSON, general bookkeeper and paymaster, LaMantia Brothers Arrigo Company, whose home address is 7825 South Constance, Chicago, was interviewed on October 11, 1947 by Special Agents ALBERT J. RUSHING and EDWARD J. MARTIN.

SWANSON recalled having posted a cashier's check in the amount of $7,500 drawn on the Central National Bank, with JOSEPH I. BULGER, attorney, who furnished a receipt for that amount. This sum had been deposited with BULGER at the instance of JOE FUSCO, liquor distributor and member of the Chicago syndicate, who had been a close personal friend of SWANSON's for approximately 25 years. SWANSON also advised he was subsequently reimbursed by check for that amount and recalled having signed a receipt. The $7,500 represented the personal funds of SWANSON who also stated he had not been approached on behalf of any particular Subject. None of the Subjects were known to him he advised and the transaction was consummated solely because of the friendship existing between FUSCO and SWANSON.

SWANSON further stated he had never been approached to make a contribution or assist in any way in the tax matter relating to CAMPAGNA and DeLUCIA. SWANSON denied knowledge of any bribery or other irregularities.

58-194
JCW/JEH/go

On October 11, 1947 Mr. JACK SUSSMAN was reinterviewed at his place of business, 716-18 West Roosevelt Road, by Special Agents JOE C. WHEELER and JOHN E. HOWARD.

Mr. SUSSMAN was reinterviewed specifically for the purpose of determining how the name of BETTY SUSSMAN came to be shown on the list of persons who had contributed money for the bonds of subject parolees, BETTY SUSSMAN having previously been interviewed and denying having given any sum of money for such a purpose.

JACK SUSSMAN on reinterview advised he had no knowledge as to how his sister's name could have appeared as having put up any sum of money for the bonds of subject parolees. Mr. SUSSMAN stated that he was responsible for $50,000.00 of the money that was put up for the bonds of these individuals. He states that $25,000.00 of this money was money that he had personally raised to put up and $25,000.00 of the money was given him by PAUL RICCA. Of the $25,000.00 he raised himself, $10,000.00 was money borrowed from his partner JOSEPH SABET and $5,000.00 was borrowed from his brother MATT SUSSMAN. Mr. SUSSMAN states that as far as he can recall he took this money with him to the Commissioner's hearing at the time subject parolees were held for the Grand Jury. He then went either to the office of the Clerk of the Court or the United States Marshal where he deposited the money for the purpose of the bond. He later received this money back from the Clerk of the Court according to his present recollection. He does not recall whether he deposited the money in cash or in the form of a check. Mr. SUSSMAN denied having ever used the name of his sister BETTY SUSSMAN in connection with this bond and states that BETTY SUSSMAN never lived at his address 5435 Kimball Avenue and that as a matter of fact he thinks that at the time he placed the money for this bond he was living at 5635 Kimball Avenue. He likewise states that his wife FAE SUSSMAN did not put up any money for this bond and had nothing to do with it. He could give no information as to how BETTY SUSSMAN's name could possibly have been mentioned in connection with this bond.

On October 11, 1947 Mr. SAM GARAFOLA was interviewed at his home, 1232 Vine Street, Chicago, Illinois, by Special Agents JOE C. WHEELER and JOHN E. HOWARD.

Mr. GARAFOLA at the time of this interview advised that he had put up $5,000.00 for the bonds, of subject parolees. This money was put up specifically to be used for the bond of parolee PHIL D'ANDREA. Mr. GARAFOLA advised that he was requested to put up this money by Mr. THOMAS O'NELIA, who was at that time the president of the Italio-American Union of which PHIL D'ANDREA was a past president. Mr. GARAFOLA stated that both he and his father had been members of the Italio-American Union, his father having been active in it for many years. He states that this was the only basis for his putting up the $5,000.00 for the bond. He claims that he has no

58-194
JCW/JEH/go

acquaintance with PHIL D'ANDREA other than his connection with the Italio-American Union and does not know the other subject parolees at all. He states that the money was his own property and was not borrowed by him or given to him by any third person. He states that he would not put up this money for such a bond again that having put up the money caused him a great deal of difficulty, he having been summoned to appear before Treasury Department Agents to explain the source of the money and other matters concerning it.

Mr. GARAFOLA stated that this was his own money although he did understand that subject parolees had given sums of money to other persons to be put up for their bond. This money had been kept by him in a safety deposit box and he withdrew the money from that source and paid it to some bonding company, he believes by a certified check. He thinks he took this money to the American Casualty Company, which was the bonding agent for subject parolees but he is not sure of this name. When the bond was withdrawn he received his $5,000.00 back by a check from the bonding company. He says that he made no profit on this transaction and that he has not put up any other money for any other purpose in connection with the activities of subject parolees. He paid no money to Attorney BERNSTEIN and knows nothing about the source of the money received by BERNSTEIN to be used on behalf of subject parolees. He advises that he has not heard of anyone having been asked to pay for the back income taxes of subject parolees or to contribute money to procure the paroles of subject parolees. He advised he could give absolutely no other information concerning this matter.

On October 11, 1947 Mr. WILLIE HEENEY was reinterviewed in his room at Mercy Hospital, Chicago, Illinois, by Special Agents JOE C. WHEELER and JOHN E. HOWARD.

At the time of this reinterview Mr. HEENEY advised that his most recent past visits to Saint Louis, Missouri, were at the time of the death of his sister VERONICA WILLEY and to the funeral of EDWARD BRADY. He advised that he had known BRADY for some 30 to 35 years but denies that he ever discussed the matter of the parole of subject parolees with Mr. BRADY. He states that he does not know Attorney DILLON and that as far as he can presently recall has never met him at any time in his life. Mr. HEENEY denies that he had ever made any effort either in Chicago, Illinois, or Saint Louis, Missouri, or at any other place to procure the parole of subject parolees or that he ever raised or handled any money to be used for this purpose. He stated that he had not been called upon to contribute any money to procure the parole of subject parolees and that he has never raised or loaned any money for this purpose.

Mr. HEENEY further advised that he has no personal knowledge of any pressure having been brought in an effort to have any person appointed to the Parole

Board so that paroles could be procured for subject parolees through this person. Mr. HEENEY did admit that he had given $10,000.00 in cash to his partner JOE CORNGOLD to be used to settle the Government's income tax claim against LOUIS CAMPAGNA. He states that he did not receive any promissory note or receipt for this money but that he expects that sooner or later it will be paid back to him. Mr. HEENEY admitted that he has heard that other persons contributed to this fund and estimated that eight or ten other persons in the Cicero and Chicago, Illinois, area gave money for this purpose. He declined to name any of these persons saying that the collection of this money had been handled by his partner CORNGOLD and that CORNGOLD would be the proper person to contact for this information. He expressed the belief that if so contacted CORNGOLD would willingly furnish the requested information. When questioned as to how this collection started he stated that he believed that either Mrs. CAMPAGNA contacted JOE CORNGOLD or JOE CORNGOLD contacted Mrs. CAMPAGNA. On further reflection he stated that as he recalled JOE CORNGOLD heard that Mrs. CAMPAGNA needed money for this purpose and contacted her regarding it. CORNGOLD thereafter took up a collection of money for the purpose of paying the back income taxes of CAMPAGNA. Mr. HEENEY denied that any pressure was used to have him pay in any sum of money for this purpose and expressed the belief that the contributions to this fund were all voluntary.

No signed statement was procured from Mr. HEENEY due to the fact that he is presently recuperating from a very serious operation and a broken hip. His doctor, Dr. LAIBE, of Chicago, Illinois, has advised that Mr. HEENEY's condition is extremely serious.

Chicago File 58-194
PCD:EOD

LOUIS VOLIN was interviewed by Special Agents WILLIAM M. O'BRIEN and PHILIP C. DUNNE on October 11, 1947.

LOUIS VOLIN, 1137 South State Street, Chicago, Illinois, posted a $10,000 bond for subject GIOE on March 25, 1943. He stated he borrowed $5000 from the American National Bank of Chicago and furnished $5000 from his own account, which at that time was maintained at the American National Bank, making a total of $10,000 for GIOE. VOLIN produced documentary evidence supporting his loan of $5000 on March 25, 1943, from the American National Bank of Chicago. He advised that he does not recall who requested him to furnish the bond for GIOE but stated definitely that it was not subject GIOE or any of the other subjects involved in this case. VOLIN stated he paid a $10,000 cash bond and placed the same with the American Casualty Company of Chicago, who handled the bond. He said he received a receipt for his money but does not recall the circumstances surrounding his being requested to furnish the bond for GIOE. He advised he received his $10,000 back sometime after GIOE entered the Atlanta Penitentiary. He stated he was paid $250 by some attorney in Chicago, whose name he could not recall, for his services in furnishing the $10,000 bond for GIOE.

VOLIN knows Attorney EUGENE BERNSTEIN only as an attorney in Chicago and denied ever having any business or personal transactions with him. He denied furnishing any money to the other subjects in this case with reference to their income tax settlement cases and has never been approached by anyone about loaning or giving money or assistance in the raising of any money for the subjects' income tax matters.

VOLIN stated he knows GIOE personally due to the fact that he assisted GIOE and other bookmakers in Chicago in the past in making bonds but has no personal contact with him. He advised he is not personally or even casually acquainted with any of the other subjects in this case.

VOLIN stated that Attorney JOE BULGER, who is known to him in a casual manner, appeared in the bond posting for the subjects in this case at a later date; however, he does not know the exact position occupied by BULGER in the bond posting matters.

-PENDING-

Chicago File 58-194
RER:rmb

UNDEVELOPED LEADS

THE CHICAGO DIVISION

At Chicago, Illinois

*Will consider the advisability of reinterviewing JOSEPH I. BULGER, 134 North Clark Street, after the interview with ANTHONY ACCARDO, concerning the use of his name by ACCARDO, and for any information in connection with instant paroles.

*Will, after the completion of the interviews with the individuals posting cash collateral for bonds for the Subjects, interview JOSEPH BULGER concerning his connection with the bond matter.

*Will interview the following individuals who contributed cash collateral toward the bonds of the Subjects of this case in 1943 and 1944:

LOUIS B. COHEN, Seneca Hotel, Chicago - $10,000
DAVID PEILET, 46 East 22nd Street, Chicago - $13,000
JAMES GRAZIANO, 901 West Randolph Street, Chicago - $10,000
Mrs. ELSIE FLEIG, 4300 Marine Drive, Chicago - $10,000

*Will interview SAM RINELLA, 775 South Chappel Avenue, with reference to his posting $5,000 cash bond through GEORGE CHERONES, 105 North Clark Street, for RALPH PIERCE.

*Will interview EDWARD DOBKIN, possible address 5107 South Blackstone, with reference to his posting $20,000 bond through Attorney JEROME JOHNSON, 1 North LaSalle Street, for the bond of RALPH PIERCE.

*Will interview JOSEPH FUSCO, Gold Seal Liquors, Inc., 707 West Harrison Street, as he requested CHARLES and PHILLIP LA MANTIA to contribute toward D'ANDREA's bond.

*Will interview GEORGE F. CALLAGHAN, Attorney, Bankers Bldg. CALLAGHAN represented all of the Subjects in the bond matter.

Will interview THOMAS O'NELIA, former president of the Italo-American National Union who asked SAM GAROFOLO to put up cash collateral for Subjects' bonds.

Chicago File 58-194
RER:rmb

UNDEVELOPED LEADS (CONT'D.)

At Glenwood, Illinois

*Will interview WILLIAM D'AMICO, who contributed $20,000 cash collateral to be used in connection with the Subjects' bonds.

At Chicago Heights, Illinois

*Will interview the following individuals who contributed cash collateral toward the bonds of the Subjects in this case:

ANTHONY PERRY, 1331 Prairie, Chicago Heights - $10,000
TONY BATTAGLIA, 158 West 14th Street,
Chicago Heights - $5,000

At River Forest, Illinois

*Will interview ANTHONY ACCARDO, 1334 North Ashland Avenue, in regard to his using the name of JOSEPH I. BULGER while visiting DE LUCIA and CAMPAGNA while they were incarcerated in Leavenworth.

*Will also interview ACCARDO for any knowledge he may have in connection with the securing of the paroles of these Subjects.

- P E N D I N G -

58-2000-923

BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 12 1947

TELEMETER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/93 BY SP5 SCU/AR

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

WASH 14 FROM CGO 11 -10-55 PM RLS

DIRECTOR AND SAC WASH FIELD "U R G E N T"

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS ~~XXX~~ CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTERS. GEORGE E. CHRISIOS, ONE EIGHT TWO THREE FIFTY FIRST AVENUE, CICERO, ILINOIS, STATES HE POSTED TEN ~~XXX~~ THOUSAND DOLLAR BOND FOR SUBJECT CAMPAGNA BY CASHIERS CHECK DRAWN ON FIRST NATIONAL BANK OF CHICAGO SOMETIME DURING MARCH, NINETEEN FORTY THREE. CHRISTOS ADVISES MONEY WAS FROM HIS OWN PERSONAL FUNDS AND WAS REQUESTED TO PLACE BOND FOR CAMPAGNA AT REQUEST OF A ~~XXXXX~~ PERSON OTHER THAN CAMPAGNA, IDENTITY OF WHOM HE DOES NOT RECALL AT PRESENT TIME. CHRISTOS STATES AT THAT TIME HE OPERATED FORTYEIGHT ELEVEN CLUB IN CICERO, ILLINOIS. HE STATES BOND WAS PAID FOR BY CHECK AND TO BEST OF HIS RECOLLECTION HE TOOK CHECK TO AN ATTORNEY IN CHICAGO, NAME NOT RECALLED, BUT IT MAY HAVE BEEN ATTORNEY JOE BULGER, WHO IN TURN PLACED BOND WITH BONDING COMPANY IN CHICAGO. IDENTITY OF BONDING COMPANY NOT RECALLED BY CHRISTOS. CHRISTOS STATES HE RECEIVED RECEIPT FOR THE MONEY BUT HE DOES NOT RECALL THE CONVERSATION OR CIRCUMSTANCES SURROUNDING HIS POSTING OF THE TEN THOUSAND DOLLAR BOND FOR CAMPAGNA. CHRISTOS STATES HE WAS REPAID TEN THOUSAND DOLLAR BOND BY CHECK AFTER CAMPAGNA WAS SENTENCED TO ATLANTA PENITENTIARY. HE DENIES RECEIVING ANY PROFIT ~~OR XXXXX~~ OR FEE OR COMMISION FOR POSTING BOND AND STATES HE DID IT AS APERSONAL FAVOR FOR CAMPAGNA, WHOM HE KNEW ONLY AS CUSTOMER AT FORTYEIGHT ELEVEN CLUB IN CICERO, ILLINOIS. CHRISTOS DENIES KNOWING ATTORNEY EUGENE BERNSTEIN OR ANY OF THE SUBJECTS IN THIS CASE WITH EXCEPTION

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58-2000-2244
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DEC 8 1947

END PAGE ONE

OF CAMPAGNA. CHRISTOS DENIES ANY CONNECTION WHATSOEVER WITH CAMPAGNA OR ANY OF OTHER PAROLEES SINCE NINETEEN FORY THREE, DENIES FURNISHING ANY FUNDS TO ATTORNEY BERNSTEIN FOR INCOME TAX SETTLEMENT OF CAMPAGNA OR ANY OTHER SUBJECTS INVOLVED IN THIS CASE. CHRISTOS DENIES ANY ASSISTANCE IN ANY MANNER FOR ANY OF OTHER SUBJECTS IN THIS CASE. LOUIS VOLIN, ONE [redacted] ONE THREE SEVEN SOUTH STATE STREET, CHICAGO, POSTED TEN THOUSAND DOLLAR BOND FOR SUBJECT GIOE ON MARCH TWENTY FIVE, NINETEEN FORTY THREE. VOLIN STATES HE BORROWED FIVE THOUSAND DOLLARS FROM AMERICAN NATIONAL BANK OF CHICAGO AND FURNISHED FIVE THOUSANS DOLLARS FROM HIS OWN ACCOUNT WHICH AT THAT TIME [redacted] WAS MAINTAINED AT AMERICAN NATIONAL BANK, TOTALING TEN THOUSAND DOLLAR BOND FOR SUBJECT GIOE. VOLIN PRODUCED DOCUMENTARY EVIDENCE SUPPORTING HIS LOAN OF FIVE THOUSAND DOLLARS ON MARCH TWENTY FIVE, NINETEEN FORTY THREE FROM AMERICAN NATIONAL BANK OF CHICAGO. VOLIN ADVISES HE DOES NOT RECALL WHO REQUESTED HIM TO FURNISH BOND FOR GIOE BUT STATES DEFINITELY IT WAS NOT SUBJECT GIOE OR ANY OF THE OTHER SUBJECTS INVOLVED IN THIS CASE. VOLIN STATES HE PAID TEN THOUSAND DOLLARS CASH BOND AND PLACED SAME WITH AMERICAN CASUALTY COMPANY OF CHICAGO WHICH HANDLED BOND. VOLIN ADVISES HE RECEIVED RECEIPT FOR HIS MONEY BUT DOES NOT RECALL CIRCUMSTANCES SURROUNDING HIS BEING REQUESTED TO FURNISH BOND FOR GIOE. VOLIN ADVISES HE RECEIVED HIS TEN THOUSAND DOLLARS BACK SOMETIME AFTER SUBJECT GIOE ENTERED ATLANTA PENITENTIARY. VOLIN ADVISES HE WAS PAID TWO HUNDRED FIFTY DOLLARS BY SOME ATTORNEY

PAGE THREE

IN CHICAGO, NAME NOT RECALLED, FOR HIS SERVICES IN FURNISHING TEN THOUSAND DOLLAR BOND FOR GIOE. VOLIN KNOWS ATTORNEY EUGENE BERNSTEIN ONLY AS ATTORNEY IN CHICAGO AND DENIES EVER HAVING ANY BUSINESS OR PERSONAL TRANSACTIONS WITH HIM. VOLIN DENIES FURNISHING AHXX ANY MONEY TO OTHER SUBJECTS IN THIS CASE WITH REFERENCE TO THEIR INCOME TAX SETTLEMENT CASES AND HAS NEVER BEEN APPROACHED BY ANYONE ABOUT TAXX LOANING OR GIVING MONEY OR ASSISTING IN RAISING OF ANY MONEY FOR SUBJECTS' INCOME TAX MATTERS. VOLIN KNOWS GIOE PERSONALY DUE TO FACT HE ASISTED GIOE AND OTHER BOOKMAKERS IN CHICAGO IN PAST IN MAKING BONDS BUT HAS NO PERSONAL CONTACT WITH HIM. VOLIN ADVISES HE IS NOT PERSONALLY OR EVEN CASUALLY ACQUAINTED WITH ANY OF OTHER SUBJECTS IN THIS CASE. HE STATES ATTORNEY JOE BULGER, WHO IS COWXX KNOWN TO VOLIN IN CASUAL MANNER, APPEARED IN THE BOND POSTING FOR SUBJECTS IN THIS CASE AT LATER DATE, HOWEVER HE DOES NOT KNOW EXACT POSITION OCCUPIED BY BULGER IN BOND POSTING MATERS.

MC SWAIN

END ACK

TWO COPIES YEO

cc Mr McCabe.

CONVERTED FORM NO. 64

Office Memorandum • UNITED GOVERNMENT

TO : Director, FBI
ATTENTION: ASSISTANT DIRECTOR A. ROSEN

DATE: October 13, 1947

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was, etal
BRIBERY

There are attached clippings from the Chicago Tribune dated October 11 and 12 with regard to the captioned matter, for the information of the Bureau.

MG
Encs.

ENCL.

RECORDED 58-2000-225

FBI

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2/12/95 SPSA/cmd

51 DEC 18 1947

RACKET FIGHTER HUNTS DATA FOR PAROLE PROBERS

BY JAMES DOHERTY

(Chicago Tribune Press Service)

New York, Oct. 10—Murray Gurfein, New York lawyer, today started a search of his files for records wanted by a congressional committee to show how the Chicago Capone gangsters who recently were given federal paroles launched the union grabbing, murder, mayhem, and extortion racket that brought them millions—and prison terms.

Gurfein, who headed the New York district attorney's racket bureau when Gov. Dewey was the prosecutor, put together the story of the organization of a national crime trust in the trial of George Scalise, then international president of the AFL International Building Service Employes union.

In 1941 Scalise was sentenced to state prison for 10 to 20 years on a charge of embezzling union funds. He still is imprisoned.

Aids Hoffman Committee

"The coalition of eastern and western gangsters was effected in 1934, in Chicago," Gurfein said in demanding a heavy sentence for Scalise. Data concerning that merger is what Gurfein now is seeking in his files. It will be sent to Rep. Clare Hoffman (R., Mich.), chairman of a house subcommittee investigating paroles given to Paul Ricca, Louis Campagna, Charles Gioe, and Phil D'Andrea, the Capone gangsters, who were freed after serving only three and a half years of 10 year sentences for extortion.

Gurfein's account of the birth in 1934 of the gangsters' national organization centered on a meeting in the Capri restaurant, 133 N. Clark st., across the street from the Cook county courthouse. The Chicagoans he mentioned as being present were Ricca, Campagna, and Frank (The Enforcer) Nitti, who committed suicide in 1941.

Story of Actions Recalled

The Gurfein account is sought to show the magnitude of the operations of Ricca and Campagna, according to Rep. Fred E. Busbey (R., Ill.), member of the subcommittee and leader in the parole investigation.

At the time of the Scalise trial, the gang story was summed up as follows:

1. Nitti, Ricca, Campagna, and their gang accomplished the murder of Tommy Maloy, motion picture union czar of Chicago, so they could take control of his union.

2. They had Louis Alterie, boss of one of the Chicago janitors' unions killed for the same purpose.

3. They forced Matt Taylor, head of the elevator operators' union, to become a stooge for them.

4. They had power and control in many other unions, and worked with Mike Carrozza, boss of street laborers.

Thus, the story went, they organized to dominate union labor thruout the country, and as one step in the program they united with the New York "mob" and made Scalise international president of the Building Service Employes union.

CHICAGO DAILY TRIBUNE

Oct 11 1943

RECORDED & INDEXED

ENCLOSURE

58-2000-225

62 USC Sec 1247

OCT 26 1972

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FIND ONE CHARGE AGAINST FREED GANG WAS KILLED

BY JAMES DOHERTY

[Chicago Tribune Press Service]

New York, Oct. 11—Representatives Hoffman [R., Mich.] and Busbey [R., Ill.], who have been inquiring into what became of mail fraud indictments against four Chicago gangsters paroled recently from extortion sentences, said today they had learned that these indictments had been dropped.

This information set them off on a new inquiry into the question of who ordered the dismissal of those indictments and when and why. The question is pertinent to a larger investigation, being conducted by a house subcommittee headed by Hoffman, into the matter of how the extortion paroles were granted to the four, Paul Ricca, Louis Campagna, Charles Gioe, and Phil D'Andrea.

The four were freed last Aug. 13 by the federal parole board after serving only three and a half years of 10 year sentences, and Busbey said today that such paroles could not have been granted while another indictment hung over their heads.

Fail to Learn Reason

While the investigators reached the answer today that the federal mail fraud charges, brought in New York on March 19, 1943, had been dismissed, they drew blanks on other questions. Atty. Boris Kostelanetz, who, as an assistant United States attorney, prosecuted the gangsters on the extortion charge, indicated he did not know when, why, or how the other indictment was dropped.

That indictment, containing three counts of mail fraud and one of conspiracy, covered the alleged shakedown of 42,000 members of the International Alliance of Theatrical Stage Employes, a union which had fallen under gang control.

The law was violated, it was charged, when checks representing payments by union members to special operatives for use to promote union interests were mailed to Chicago and elsewhere, cashed, and the proceeds cut up among the union's gangster rulers. The take was said to involve more than 1 million dollars.

Find No Dillon Link

So far as is known to those seeking facts on the paroles and on pardons and commutations obtained thru St. Louis Atty. Paul Dillon and others from Presidents Truman and Roosevelt, the union looting indictment was alive when Ricca and his lieutenants went to prison.

Busbey said that, so far as he could learn, Dillon had nothing to do with the mail fraud indictment against the Ricca crowd. Dillon, a friend of Mr. Truman, was shown by government files to have obtained the transfer of the Chicago gangsters from one prison to another and to have appeared as their lawyer before the parole board.

CHICAGO DAILY TRIBUNE
Oct 11, 1947

ENCLOSURE
RECORDED 58-2000-225
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RGM

BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

OCT 13

TELEMETER

Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Miss Gandy	

WASH 6 FROM CGO 13 6-25 PM RLS

DIRECTOR AND SAC WASH FIELD - ATTN ASST DIRECTOR A. ROSEN - URGENT

LOUIS CAMPAGNA WAS ET AL, BRIBERY, PAROLE MATTERS. NATE JACOBS OF THE NATE JACOBS AND COMPANY INSURANCE, CHICAGO, INTERVIEWED TODAY STATES HE FURNISHED TWENTY FIVE HUNDRED DOLLARS OF A FIVE THOUSAND DOLLAR BOND FOR SUBJECT RALPH PIERCE IN APRIL FORTY THREE. JACOBS STATES THE REMAINING TWENTY FIVE HUNDRED DOLLARS WAS GIVEN HIM BY SAM ROTHCHILD OF CHICAGO, ILINOIS FOR A FIVE THOUSAND DOLLAR BOND FOR RALPH PIERCE. JACOBS STATES HE THEN PURCHASED [redacted] CASHIERS CHECK FROM THE INDUSTRIAL NATIONAL BANK IN THE AMOUNT OF FIVE THOUSAND DOLLARS AND DELIVERED THIS CHECK TO THE AMERICAN CASUALTY CO. OF CHICAGO, ILL. JACOBS ADVISED THAT AT THE TIME HE SECURED THE BOND HE DID [redacted] NOT KNOW RALPH PIERCE PERSONALLY BUT HAS SINCE MET HIM. JACOBS STATES HE FURNISHED THE TWENTY FIVE HUNDRED DOLLARS AT THE SPECIFIC REQUEST OF SAM ROTHCHILD AS PERSONAL FAVOR TO ROTHCHILD AND RECEIVED NOTHING IN RETURN. JACOBS ADVISED HE RECEIVED A RECEIPT FOR THIS CONTRIBUTION AND THE MONEY WAS REPAID HIM IN CASH ABOUT ONE YEAR LATER BY SAM ROTHCHILD. THE BONDING COMPANY REFUNDED THE ENTIRE FIVE THOUSAND DOLLARS POSSIBLY TWO WEEKS AGO. JACOBS STATES THE ENTIRE PROCEEDS OF THIS CHECK WERE TURNED OVER TO HARRY RUSSELL. JACOBS STATES HARRY RUSSELL AND DAVE [redacted] RUSSELL AT ONE TIME HAD AN INTEREST IN RUSSELL'S BAR AND GRILL, STATE AND VAN BUREN STREETS, CHICAGO, ILL.

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INDEXED
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51 DEC 18 1947

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cc Mr. McCabe

JACOBS DENIES KNOWING ATTORNEY EUGENE BERNSTEIN PERSONALLY AND JUST RECENTLY HEARD OF HIM DUE TO THE FACT THAT BERNSTEIN IS HANDLING SOME PROPERTY AND JACOBS IS HANDLING THE INSURANCE ON THIS PROPERTY. JACOBS DENIES ASSISTING IN ANY MANNER WITH THE INCOME TAX SETTLEMENT CASES OF THE SUBJECTS IN THIS CASE OR FURNISHING FUNDS FOR ANY PURPOSE OTHER THAN FOR THE BOND. WILLIAM D'AMICO, SECRETARY TREASURER, G. D'AMICO MACARONI COMPANY, STEGER, ILLINOIS, ADVISED HE CONTRIBUTED TWENTY THOUSAND DOLLARS CASH FROM HIS PERSONAL FUNDS ONLY, TO APPLY ON BAIL BOND OF D'ANDREA. THIS CONTRIBUTION WAS MADE AT REQUEST OF D'AMICO'S BROTHER, TOM D'AMICO, NOW DECEASED, WHO WAS PERSONALLY ACQUAINTED WITH D'ANDREA. WILLIAM D'AMICO BELIEVES HIS BROTHER ACTED ON BEHALF OF PERSONAL FRIENDSHIP WITH D'ANDREA. D'AMICO'S CONTRIBUTION WAS GIVEN TO ATTORNEY JOSEPH BULGER AND RECEIPT WAS OBTAINED. ENTIRE AMOUNT WAS SUBSEQUENTLY RETURNED TO D'AMICO BY HIS BROTHER TOM. D'AMICO DENIES HAVING BEEN APPROACHED FOR FURTHER CONTRIBUTION ON BEHALF OF SUBJECTS IN ANY WAY. DENIES KNOWLEDGE OF BRIBERY OR OTHER IRREGULARITIES. JAMES GRAZIANO, PARTNER IN J. P. GRAZIANO GROCERY COMPANY, CHICAGO, ADVISED HE CONTRIBUTED TEN THOUSAND DOLLARS TO APPLY ON BAIL BOND OF D'ANDREA. CONTRIBUTION WAS IN FORM OF CERTIFIED CHECK DRAWN ON ACCOUNT OF J. P. GRAZIANO GROCERY COMPANY AND THIS AMOUNT DERIVED SOLELY FROM FUNDS OF THAT COMPANY. GRAZIANO ACTED ON BEHALF OF PERSONAL FRIENDSHIP WITH D'ANDREA AND UPON SPECIFIC REQUEST OF AN UNIDENTIFIED TELEPHONE CALLER, WHO SUGESTED GRAZIANO'S CONTRIBUTION. GRAZIANO DELIVERED HIS CONTRIBUTION TO ATTORNEY JOSEPH BULGER, WHO THEN ACCOMPANIED GRAZIANO

TO AMERICAN CASUALTY COMPANY, WHERE TRANSACTION WAS COMPLETED. GRAZIANO OBTAINED RECEIPT. ENTIRE AMOUNT WAS SUBSEQUENTLY RETURNED TO GRAZIANO BY BULGER IN CASH. GRAZIANO DENIES ANY OFFER OR PRESSURE USED TO INDUCE CONTRIBUTION. DENIES BEING OTHERWISE APPROACHED AT ANY TIME FOR LOAN OR CONTRIBUTION ON BEHALF OF ANY OF SUBJECTS. ALSO DENIES KNOWLEDGE OF BRIBERY OR IRREGULARITY IN CONNECTION WITH PAROLE MATTER. ROBERT PETRONE WARD COMMITTEEMAN, ONE FOUR TWO FIVE WEST GRAND, CHICAGO, WAS INTERVIEWED AT HIS OFICE IN THE TWENTY SIXTH WARD REPUBLICAN ORGANIZATION, SIX THREE SIX NORTH RACINE, CHICAGO. HE ADVISED THAT HE HAD NO KNOWLEDGE OF ANY BLOOD SHED IN ANY OF THE WARDS DURING THE NOVEMBER NINETEEN FORTY SIX ELECTION AND THAT HE HAD NO KNOWLEDGE OF ANY COOPERATION BETWEEN THE REPUBLICAN AND DEMOCRATIC PARTIES IN HIS WARD DURING THIS SAME ELECTION. HE STATED THAT THE RECORDS SHOW THAT HIS WARD INCREASED THE REPUBLICAN VOTE BY TWO PERCENT DURING THE ELECTION. PETRONE ADVISED THAT ONLY ONE WARD TO HIS KNOWLEDGE HAD HAD A LARGE DECREASE IN REPUBLICAN VOTE DURING THE NOVEMBER NINETEEN FORTY SIX ELECTION AND THAT WAS THE TWENTIETH WARD. HE STATED THAT HE DID NOT BELIEVE THIS WAS DUE TO ANY COOPERATION BETWEEN THE REPUBLICANS AND DEMOCRATS IN AN EFFORT TO SECURE THE RELEASE OF THE SUBJECTS FROM THE PENITENTIARY BUT IT WAS HIS OPINION THAT THE COOPERATION WAS FOR THE PURPOSE OF TRADING POLITICAL JOBS. HE STATED THAT HE HAD NO KNOWLEDGE NOR HAD HE HEARD ANY RUMORS OF ANY IRREGULARITIES IN RESPECT TO SECURING THE PAROLES BY THE SUBJECTS AND THAT HE HAD HEARD OF NO BRIBERY PAYMENTS IN THE SUBJECTS' BEHALF. PETRONE STATED HE KNEW SUBJECT GIOE AND HARRY ASH BECAUSE OF THE FACT THAT THEY BOTH RESIDED IN HIS WARD IN THE PAST AND BOTH WORKED FOR FRED ERICCSON, FORMER WARD COMMITTEEMAN OF THE TWENTY SIXTH WARD. JOE CORNGOLD, PARTNER OF WILLIE HEENEY AND FORMER

END PAGE THREE

PARTNER OF LOUIS CAMPAGNA, STATES HE PUT UP NO MONEY FOR BOND OF SUBJECT PAROLEES WHEN THEY WERE ARRESTED IN NINETEEN FORTY THREE. STATES HE HAD NOTHING TO DO WITH [redacted] PAROLE OF SUBJECT PAROLEES, NEITHER PUT UP NOR COLLECTED ANY MONEY TO PROCURE SUCH PAROLES AND KNOWS OF NO IMPROPER MEANS BEING USED TO PROCURE SUCH PAROLES. REFUSES TO DISCUSS AT THIS TIME RAISING OF MONEY TO PAY GOVERNMENT'S INCOME TAX SETTLEMENT FOR LOUIS CAMPAGNA OR OTHER PAROLEES. WHEN TOLD WE KNEW PARTNER FURNISHED TEN THOUSAND DOLLARS, STATED QUOTE MAYBE I PUT UP SAME AMOUNT. MAYBE LESS, MAYBE MORE. UNQUOTE.

MC SWAIN

END ACK

4:20 P
Western Union

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 13 1947

TELEMETER

710

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RECEIVED

Mr. Tolson
Mr. Ladd
Mr. Clegg
Mr. Glavin
Mr. Nichols
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Miss Gandy

WASH 9 AND NEW YORK 2 FROM CGO 13 7-27 PM RLS

DIRECTOR AND SACS NEW YORK AND WASH FIELD "U R G E N T"

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. REURTEL OCTOBER TEN LAST. INTERNAL REVENUE REPORT IN REFERENCE TT NOT IN CHICAGO FILES INTERNAL REVENUE CHICAGO HAS LETTER IN THEIR FILE THAT INFORMATION IN REPORT TURNED OVER TO AUSA KOSTELANETZ ON SEPTEMBER EIGHTEEN FORTY THREE BY THEIR WASHINGTON OFFICE. REQUEST NEW YORK OFFICE TO CHECK FILES OF USA SDNY FOR REPORT.

RECORDED 58-2000-227

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32 DEC 3 1947

51 DEC 18 1947

MC SWAIN

END ACK

cc: Mr. McCabe

Trues & NYC.

AL BUREAU OF INVESTIGATION
S. DEPARTMENT OF JUSTICE
MMUNICATIONS SECTION

OCT 14 1947

Mr Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichol
Mr. Rose
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Neal
Miss Carliv

TELEMETER

WASH 8 FROM CGO 14 8-15 PM RLS

DIRECTOR AND SAC WASH FIELD "U R G E N T"

ATTENTION ASST DIRECTOR A. ROSEN

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LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. RICHARD MC CARTHY, OWNER AND OPERATOR OF FRANKLIN MC CARTHY COMPANY, ADVISED HE PUT UP TWO THOUSAND DOLLAR CASH TO BOND OF RALPH PIERCE. HE STATED THIS MONEY WAS FROM HIS PERSONAL FUNDS AND AT REQUEST OF RALPH PIERCE, WHO CALLED HIM AT PLACE OF BUSINESS AND STATED HE WAS IN SOME SORT OF TROUBLE AND DESIRED TWO THOUSAND DOLLAR CASH BOND. MONEY WAS TAKEN TO LAW OFFICE OF JOSEPH BULGER AND RECEIPT OBTAINED. MONEY WAS RETURNED TO MC CARTHY ABOUT FOUR OR FIVE MONTHS LATER IN WHAT HE BELIEVES WAS DIFFERENT LAW OFFICE, NAME AND ADDRESS UNKNOWN. THIS MONEY WAS REPAID TO HIM IN CASH AT WHICH TIME HE SURRENDERED RECEIPT. MC CARTHY ADVISED HE KNEW RALPH PIERCE AND CHARLIE GIOE SINCE ABOUT NINETEEN THIRTY FOUR AS THEY FREQUENTED HIS PLACE OF BUSINESS FOR GASOLINE AND AUTO REPAIRS. HE ADIVISED HE RECEIVED NO PROFIT WHATSOEVER FORPOSTING THIS BOND AND NO THREATS OR PRESURE WAS BROUGHT UPON HIM TO MAKE IT. HE FURTHER STATED HE KNEW OF NO IRREGULARITIES IN CONNECTION WITH ANY PAROLE OR TAX MATERS INVOLVING SUBJECTS AND HE HAS NOT BEEN APPROACHED SINCE THAT TIME TO CONTRIBUTE IN ANY MANNER FOR ANY SETTLEMENTS CONCERNING SUBJECTS. AUGUST ARADO, CAR LOT PRODUCE SALESMAN FOR LA MARRITA BROTHERS ARRIGA COMPANY, ADVISED HE CONTRIBUTED SEVENTY FIVE HUNDRED DOLLARS IN FORM OF

END PAGE ONE

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CASHIERS CHECK FROM HIS PERSONAL FUNDS TOWARDS BONDS OF SUBJECTS. ARADO WAS CONTACTED BY JOE FUSCO, EXECUTIVE OF GOLD SEAL LIQUOR COMPANY, WHO CAME TO HIS OFFICE AND REQUESTED HIM TO PUT UP MONEY FOR SUBJECTS. ARADO OBTAINED SEVENTY FIVE HUNDRED ~~GXXX~~ DOLLAR CASHIERS CHECK FROM CENTRAL NATIONAL BANK AND BROUGHT IT TO LAW OFFICE OF JOSEPH BULGER, WHERE HE OBTAINED RECEIPT. THIS MONEY WAS NOT PLACED ON BOND OF ANY ONE INDIVIDUAL BUT USED COLLECTIVELY. ARADO STATED SEVERAL MONTHS LATER HE WAS REPAID BOND BY INSURANCE COMPANY, NAME AND ADDRESS UNKNOWN, BY CHECK AND HE RECEIVED NO PROFIT OR ANY OTHER FORM OF REMUNERATION FOR POSTING SAID BOND. ARADO ADVISED HE KNEW NONE OF SUBJECTS WHATSOEVER AND HAD NOT BEEN APPROACHED SINCE THE ABOVE INCIDENT IN ANY MATTERS CONCERNING TAX SETLEMENT OR LOANS OF ANY TYPE AND HE WAS NOT AWARE OF ANY IRREGULARITY IN CONNECTION PAROLES OR TAX MATTER ~~OEXX~~ OF SUBJECTS. HE MENTIONED HE HAD BEEN LIFELONG FRIEND OF JOE FUSCO AND HE WAS ALSO ACQUAINTED WITH MEMBERS OF HIS FAMILY. HE SAID IT WAS ONLY BECAUSE OF PERSONAL FRIENDSHIP TOWARDS FUSCO HE CONSENTED TO POST ABOVE BOND. WILLIAM JOHN GRANATA, REPUBLICAN COMMITTEEMAN, TWENTY SEVENTH WARD, STATED HE IS NOT ACQUAINTED WITH ANY OF THE PAROLEES NOR DOES HE KNOW ANY OF THE DETAILS RELATIVE TO THE MANNER IN WHICH THEY SECURED THEIR PAROLES. HE STATES THEIR PAROLES HAD NOTHIHNG TO DO WITH THE NOVEMBER NINETEEN FORTY SIX ELECTION TO HIS KNOWLEDGE. MAINTAINS ~~MEXX~~ MALICIOUS RUMORS ARE CIRCULATING ABOUT RELATIVE TO THE REPUBLICANS QUOTE SELLING OUT UNQUOTE TO THE DEMOCRATS, WHICH RUMOR IS FALSE. KNOWS NOTHING ABOUT ANY QUOTE PAY OFF UNQUOTE IN SECURING PAROLES. DENIES ~~HAEXX~~ HAVING EVER BEEN CONTACTED TO USE HIS INFLUENCE TO ASSIST PAROLEES IN ANY MANNER OR

FOR ANY PURPOSE. STATES SO-CALED TERRORISM IN THE ITALIAN WARDS, IN THE CITY OF CHICAGO MERELY THE WIDENED IMAGINATION OF JAMES DOHERTY, CHICAGO TRIBUNE REPORTER. ~~SXX RESENSXX~~ RESENTS HIS IMPLICATION IN THIS MATTTER AND CLAIMS IT IS AN ATTEMPT ON THE PART OF THE CHICAGO TRIBUNE TO BOLSTER THEIR PREVIOUS PUBLICITY REGARDING TERRORISM. ANDREW J. FLANDO, REPUBLICAN COMMITTTEEMAN FOR THE TWENTYFIFTH WARD, STATES HE IS ONLY ACQUAINTED WITH DE LUCIA. DENIES HAVING SEEN HIM SINCE HIS PAROLE. KNOWS NOTHING ABOUT THE MANNER IN WHICH PAROLES WERE ~~SECURNXXX~~ SECURED AND DENIES HAVING EVER BEEN CONTACTED TO USE HIS INFLUENCE IN SECURING PAROLES FOR ANY OF THE SUBJECT IN INSTANT ~~CAXXX~~ CASE. DENIES HAVING ~~SXX~~ ASSISTED PAROLES IN ANY MANNER OR FOR ANY PURPOSE. DENIES ANY TERRORISM EVER EXISTED IN ANY OF THE ITALIAN WARDS. ~~TERMEXX~~ TERMED ALLEGED TERRORISM A VICIOUS RUMOR . REPUDIATES RUMOR THAT REPUBLICANS QUOTE ~~SEDXX~~ SOLD OUT UNQUOTE TO DEMOCRATS. PASQUALE PERRY, BROTHER OF ANTHONY PERRY, ADVISED THAT HE LOANED HIS BROTHER , ANTHONY, TWO THOUSAND DOLLARS IN MARCH OF NINETEEN FORTY THREE. HE STATED HIS BROTHER INFORMED HIM THE PURPOSE OF LOAN WAS TO POST ON A BOND. PASQUALE ~~REXX~~ PERRY DENIES THAT HE HAD KNOWLEDGE THAT HIS BROTHER HAD POSTED TEN THOUSAND DOLLAR BOND ON BEHALF OF PHILIP D-ANDREA. DENIES BEING ACQUAINTED WITH THE CASE EXCEPT WHAT HE READ IN NEWSPAPERS. PASQUALE PERRY STATED THAT HE WAS NOT ACQUAINTED WITH PHILIP D-ANDREA OR OTHER SUBJECTS IN INSTANT CASE. DENIES HAVING ANY KNOWLEDGE OF CONTRIBUTIONS TOWARD TAX SETTLEMENT CASE OF CAMPAGNA, ET AL. DENIES THAT ANY PRESSURE WAS EXERTED ON HIM WHEN HE LOANED HIS BROTHER THE TWO THOUSAND DOLLARS, AND THE REASON HE ADVANCED THE LOAN WAS BECAUSE HIS BROTHER REQUESTED IT.

END PAGE THREE

PASQUALE PERRY HAS ONE HALF INTEREST IN CITY BEVERAGE COMPANY, WHOLESALE BEER DISTRIBUTORS OF PABST BLUE RIBBON BEER IN CHICAGO HEIGHTS, ILLINOIS AND KANKAKEE, ILLINOIS. FRANK ARRIGO, SECRETARY TREASURER, LA MANTIA BROTHERS ARRIGO COMPANY, CHICAGO ADVISES HE CONTRIBUTED TEN THOUSAND DOLLARS IN FORM OF CASHIER-S CHECK TO APPLY ON SUBJECTS BAIL BOND. CONTRIBUTION DERIVED ENTIRELY FROM ARRIGO-S PERSONAL FUNDS AND WAS MADE AT REQUEST OF JOE FUSCO ON BASIS OF MANY YEARS PERSONAL FRIENDSHIP BETWEEN ARRIGO AND FUSCO. CONTRIBUTION DELIVERED BY ARRIGO TO ATTORNEY JOSEPH BULGER. FUSCO MADE AN OFFER OF INTEREST WHICH WAS REFUSED BY ARRIGO. ARRIGO DENIES USE OF PRESSURE. CONTRIBUTION SUBSEQUENTLY RETURNED TO ARRIGO IN CASH BY BULGER. ARRIGO DENIES BEING PERSONALLY ACQUAINTED WITH ANY OF SUBJECTS, DENIES HAVING BEEN APPROACHED FOR FURTHER ASSISTANCE OR CONTRIBUTIONS ON BEHALF OF SUBJECTS AND DENIES KNOWLEDGE OF BRIBERY OR IRREGULARITIES IN CONNECTION WITH PAROLES. EDWARD S. CODY, CHICAGO ATTORNEY, ADVISES HE ACTED ON BEHALF OF A CLIENT IN CONTRIBUTING TEN THOUSAND DOLLARS CASH WHICH WAS FURNISHED BY CLIENT TO APPLY ON BAIL BOND. THIS CONTRIBUTION DELIVERED BY CODY TO CHICAGO ATTORNEY, NAME UNKNOWN TO CODY, WHO WAS PROBABLY BULGER. CODY DECLINES TO REVEAL IDENTITY OF CLIENT PENDING OBTAINING CLIENT-S PERMISSION. CODY TO BE RE-CONTACTED. JOE FUSCO ADVISED THAT HE DID NOT FURNISH ANY OF THE MONEY FOR BOND FOR PAUL RICCA, BUT THAT AT HIS SOLICITATION CHARLES AND PHILIP LAMANTIA, RUDOLPH SWANSON AND FRANK ARRIGO, ALL CONNECTED WITH LAMANTIA-ARRIGO COMPANY, BETWEEN THEM POSTED FIFTY THOUSAND DOLLARS FOR RICCA-S BOND. HE STATED THAT HE DID NOT RECEIVE ANY COMMISSION FEE OF ANY KIND AND THAT SO FAR AS HE KNOWS NEITHER DID ANY OF THE INDIVIDUALS WHO

POSTED THE MONEY. FUSCO ADVISED THAT HE IS ACQUAINTED WITH ALL OF THE DEFENDANTS, BUT THAT HE HAS BEEN MORE FRIENDLY WITH RICCA THAN ANY OF THE OTHERS. WHEN ASKED IF HE HAD CONTRIBUTED OR REQUESTED A CONTRIBUTION FROM ANYONE TOWARD THE FUND TO SETTLE THE TAX CLAIMS AGAINST ANY OF THE DEFENDANTS, FUSCO REPLIED QUOTE I DO NOT CARE TO ANSWER ANY QUESTIONS CONCERNING THAT MATTER AT THIS TIME UNQUOTE. HE REFUSED TO ELABORATE AS TO WHEN HE MIGHT BE WILLING TO ANSWER SUCH QUESTIONS. EDWARD A. DOBKIN ADVISED THAT HIS OCCUPATION WAS A BOOKMAKER, AND THAT HE POSTED TWENTY THOUSAND DOLLARS TOWARD BOND FOR RALPH PIERCE BECAUSE OF PERSONAL FRIENDSHIP WITH PIERCE. HE STATED THAT HE GAVE THE MONEY TO HIS ATTORNEY, JEROME JOHNSON, WHO HANDLED THE DETAILS, AND THAT HE DID SO AT THE REQUEST OF THE DEFENDANT, RALPH PIERCE. HE ADVISED THAT HE WAS REPAID THIS MONEY THREE TO SIX MONTHS AFTER PIERCE WAS DISCHARGED, THAT HE RECEIVED NO COMMISSION OR OTHER REWARD FOR DOING SO, AND DID IT MERELY AS A PERSONAL FAVOR. HE DENIED KNOWING ANY OF THE OTHER DEFENDANTS EXCEPT CHARLIE GIOE, WHOM HE ADMITTED KNOWING SLIGHTLY. HE DENIED KNOWING ANYTHING ABOUT OR MAKING ANY CONTRIBUTION TOWARD ANY FUND FOR THE PAYMENT OF INCOME TAX CLAIMS AGAINST ANY OF THE DEFENDANTS. LUCY CARUSO, STATES HAS NO KNOWLEDGE RELATIVE TO INSTANT MATTER. FIVE THOUSAND DOLLARS POSTED IN HER NAME FOR BOND OF SUBJECT PAROLEES WAS DONE BY HER SISTER, DEHLILA CARUSO. DEHLILA CARUSO ADVISED PUT UP FIVE THOUSAND DOLLARS EACH FOR HERSELF AND SISTER TO BE USED AS BOND MONEY FOR SUBJECT PAROLEES. REFUSED TO DIVULGE IDENTITY OF

PERSON REQUESTING FUNDS, ALTHO STATES REQUEST WAS MADE THRU HER BROTHER, DOMONICK CARUSO. MONEY WAS ~~XXXX~~ TAKEN FROM FUNDS OF ADM SALES COMPANY, A JUKE BOX OPERATING BUSINESS OPERATED BY LUCY CARUSO AND DEHLILA CARUSO JOINTLY. MONEY PAID TO ATTORNEY JOSEPH I. BULGER BY CERTIFIED CHECK. RECEIPT GIVEN BUT RECEIPT RETURNED WHEN MONEY REPAID. MADE NO PROFIT FROM THIS TRANSACTION, BUT MERELY DID IT AS A FAVOR. HAS MADE NO CONTRIBUTION OR LOAN OF MONEY TO PAY INCOME TAX OR PROCURE PAROLES OF SUBJECT PAROLEES. IS NOT PERSONALLY ACQUAINTED WITH ANY OF SUBJECT PAROLEES. HAS NO KNOWLEDGE OF ATTORNEY ~~XXXX~~ BERNSTEIN AND CAN GIVE NO FURTHER INFORMATION RELATIVE TO THIS MATTER. BANK ACCOUNT OF JOSEPH I. BULGER LOCATED AT OAK PARK NATIONALBANK, OAK PARK, ILLINOIS. EXAMINATION OF ACCOUNT REVEALS EIGHT DEPOSITS IN EXCESS OF ~~XX~~ ONE THOUSAND DOLLARS AND FIVE CHECKS IN EXCESS OF ONE THOUSAND DOLLARS. AN EXAMINATION OF DEPOSIT SLIPS REVEALS THAT DEPOSIT IN SPECIAL ACCOUNT OF BULGER-S DATED JUNE TEN, NINETEEN FORTY FOUR, IN AMOUNT OF TWELVE THOUSAND FORTY EIGHT DOLLARS, WAS A CHECK ON A ~~XXXXXXXXXX~~ CHICAGO BANK. IN BULGER-S REGULAR ACCOUNT THE DEPOSITS ARE AS FOLLOWS - DEPOSIT OF FOUR THOUSAND SIX HUNDRED FORTY FOUR DOLLARS AND EIGHTY EIGHT CENTS DATED JUNE ONE, NINETEEN FORTY FOUR, WAS CERTIFIED CHECK ON UPPER AVENUE NATIONAL BANK. DEPOSIT OCTOBER THIRTY ONE, NINETEEN FORTY FOUR OF ONE THOUSAND ONE HUNDRED EIGHTY DOLLARS WAS CHECK ON PRAIRIE STATE BANK. DEPOSIT OF JANUARY FIFTEEN, NINETEEN FORTY FIVE OF TWELVE HUNDRED DOLLARS WAS CHECK ON OAK PARK NATIONAL BANK. DEPOSIT MARCH

SEVENTEEN, NINETEEN FORTY FIVE OF TWO THOUSAND TWO HUNDRED FIFTY DOLLARS CHECK ON OAK PARK NATIONAL BANK. DEPOSIT OF MAY TWENTY THREE, NINETEEN FORTY FIVE OF THREE THOUSAND ONE HUNDRED DOLLARS WAS ONE CHECK OF ONE THOUSAND FIVE HUNDRED FIFTY ~~XXX~~ DOLLARS ON A ~~CHECXX~~ CHICAGO BANK AND A CHECK OF ONE THOUSAND FIVE HUNDRED FIFTY DOLLARS ON AN OUT OF TOWN BANK. DEPOSIT OF JULY THREE, NINETEEN FORTY FIVE OF ONE THOUSAND FOUR HUNDRED FIFTY TWO DOLLARS FIFTY NINE CENTS WAS CHECK ON OAK PARK NATIONAL BANK. DEPOSIT JANUARY TEN, NINETEEN FORTY SIX OF SIX THOUSAND DOLLARS WAS A CHECK ON CHICAGO BANK. ~~DESPOXXX~~ DEPOSIT OF FEBRUARY TWENTY SIX, NINETEEN FORTY SEVEN OF FIFTEEN HUNDRED DOLLARS WAS A CHECK ON CHICAGO BANK. EFFORTS WERE MADE TO TRACE THE SOURCE OF THESE DEPOSITS THRU THE RECORDS OF THE OAK PARK NATIONAL BANK, AND IT WAS ASCERTAINED THAT ALL PROOF SHEETS, DAILY CASH LETTERS AND CLEARINGHOUSE SHEETS WERE DESTROYED SIX MONTHS AFTER THEY WERE MADE. THE DEPOSIT OF TWELVE THOUSAND FORTY EIGHT DOLLARS ON JUNE TEN, NINETEEN FORTY FOUR WAS CHECKED THRU A CORRESPONDENT BANK, CONTINENTAL ILLINOIS BANK AND TRUST COMPANY, BUT COULD NOT BE TRACED SINCE CONTINENTAL ILLINOIS BANK DESTROYED THEIR RECORDS SHOWING THIS TRANSACTION AFTER A TWO YEAR PERIOD. CHECKS DRAWN ON BULGER-S ACCOUNT COULD NOT BE TRACED BECAUSE OF THE FACT

PAGE EIGHT

RECORDS WERE ALSO DESTROYED. IT IS-NOEDXX NOTED THAT THE OAK PARK NATIONAL BANK PRIOR TO JANUARY ONE, NINETEEN FORTY FIVE, WAS THE PRAIRIE STATE BANK. THE DEPOSIT OF MAY TWENTY NINE, NINETEEN FORTY FOUR OF FOUR THOUSAND SIX HUNDRED FORTY FOUR DOLLARS AND EIGHTY EIGHT CENTS LISTED AS A CERTIFIED CHECK WAS TRACED THRU THE UPPER AVENUE NATIONAL BANK AND FOUND TO HAVE BEEN ISSUED TO JBXXX=J. I. BULGER, PURCHASED BY THOMAS L. G. DEUELL. AVERAGE BALANCE OF ACCOUNT IS TWO THOUSAND DOLLARS.

MC SWAIN

END ACK

cc: Mr. McCabe

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

FILE NO. 58-194

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
Chicago, Illinois	10/14/47	10/11,13/47	WAYNE S. MURPHY (A) WSM:LML

TITLE	CHARACTER OF CASE
LOUIS CAMPAGNA, with aliases, et al	BRIBERY PAROLE MATTERS

SYNOPSIS OF FACTS:

Persons interviewed who contributed cash collateral on bonds of subjects maintained these contributions were made because of friendship with the subjects or at the request of mutual friends. These witnesses deny that any pressure or coercion was brought to bear in connection with the securing of this collateral. Collateral returned to them after subjects were sentenced. None of witnesses interviewed received any interest or bonus on their cash advances. All deny contributing any additional funds in behalf of subjects for any purpose.

DEC 18 11 45 AM '47 NO STATISTICS

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2/10/95 SPSC/CR

APPROVED AND FORWARDED:	DO NOT WRITE IN THESE SPACES	RECORDED & INDEXED
SPECIAL AGENT IN CHARGE	58-194-229	

COPIES OF THIS REPORT
3 - Bureau (AMSD) (Attn: Asst. Director A. ROSEN)
2 - Washington Field (AMSD) (58-291)
4 - Chicago

7—2034

Chicago File No. 58-194
WSM:LML

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Chicago File No. 58-194
WSM:LML

REFERENCE: Bureau letter to Washington Field dated September 22, 1947.
Report of Special Agent (A) WAYNE S. MURPHY dated October 13, 1947, at Chicago, Illinois.

DETAILS: AT CHICAGO, ILLINOIS

Chicago File No. 58-194
JFG:KLH:BPA

On October 11, 1947, Special Agents KENNETH L. HECHT and JOHN F. GLENVILLE interviewed DAVID J. PEILET at his haberdashery store, 46 East 22nd Street, Chicago, Illinois.

PEILET advised that he had posted $13,000. on behalf of RALPH PIERCE. Of this $13,000. PEILET said that his share was $5,000.00 in a cashiers check and the remaining $8,000. in cash he had secured from DAVE RUSSELL, who requested him to post the bond as he, RUSSELL, did not wish to have the bond under his name. PEILET is not positive that he secured the $8,000. from HARRY or whether he secured it from DAVE RUSSELL, but was of the opinion that it was DAVE RUSSELL who gave him the money. RALPH PIERCE personally contacted PEILET requesting him to post the bond. PEILET stated that the money for the bond was his own personal funds. No specific amount was mentioned by PIERCE at the time he requested PEILET to post some money but merely stated whatever he could spare. PEILET stated that if it were necessary he would be willing to post $10,000. if PIERCE requested it. However, it was finally agreed that he would post $5,000.

Shortly after PIERCE had requested PEILET to post the bond, Attorney JOSEPH BULGER requested PEILET to bring the money to his office. In the meantime, DAVE RUSSELL telephonically contacted PEILET and made arrangements to meet him at BULGER's Office where he furnished him the $8,000 in cash. Together with the $5,000. certified check of his own, PEILET posted $13,000. under his own name. PEILET stated that DAVE RUSSELL did not wish to have the money posted under his (RUSSELL's) name.

After arriving at BULGER's office, PEILET accompanied a group of others in a taxi cab to the American Casualty Insurance Company where the money was paid. He stated that he did not know the other persons who had contributed to the bond. A receipt was obtained when the money was paid at the insurance company. PEILET does not recall the exact date when the money was paid to him but stated it was sometime after RALPH PIERCE was aquitted. He was not certain as to whether he received repayment in cash or in a check. He stated he received no profit for having furnished the money. His reason for posting the bond was because RALPH PIERCE was a customer in his haberdashery store and also because friends of PIERCE had been dealing with him as customers for some time. He stated that no pressure was used and it was strictly for business reasons and personal friendship with PIERCE that he posted the bond.

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PEILET stated that he personally did not contribute any money to the tax settlement case nor did he have any knowledge of anyone else contributing to the fund. He stated he knew of no other funds being collected in behalf of the subjects. PEILET stated that he was not acquainted with any of the facts dealing with any of the parole of the subjects and he had no knowledge until he read about it in the newspaper.

PEILET has known RALPH PIERCE since 1928 and became acquainted with him as a result of PIERCE's making purchases in his haberdashery store. He states he has had no other business transactions with PIERCE. PEILET has also known CHARLES GIOE for the past fourteen years. He stated that he posted no bond on behalf of GIOE and was not requested to do so. He has had no business transactions with GIOE.

PEILET then stated that he is also acquainted with the late AL CAPONE, whom he knew for the past fifteen years, JACK GUZIK, the FISCHETTI brothers, JOE BATTERS, MURRAY HUMPHREYS, RALPH CAPONE, and FRANK DIAMOND, all of whom he has known over a period of time and with whom he became acquainted as a result of their making purchases in his store.

PEILET's store is located one block west of Michigan Avenue, the former scene of operations of the CAPONE mob where AL CAPONE had his headquarters in the New Michigan Hotel. PEILET stated he was unable to furnish any information regarding the illegal operations of members of the syndicate. He is acquainted with Attorney EUGENE BERNSTEIN only as a result of seeing him perform feats of magic at meetings of the Temple where PEILET attends.

PEILET was born May 25, 1896 at Chicago, Illinois. He states that he has never been engaged in any illegal operations in connection with the syndicate, that he had never been arrested and that he has enjoyed an excellent reputation among businessmen in the vicinity where he operates his store and has never been in trouble of any kind. PEILET admitted that he does operate a book-making establishment in an office where he has two telephones installed. PEILET stated he did not desire to disclose the location of this office nor the telephone numbers. He refused to furnish information that he was operating this book-making establishment under the sponsorship of the syndicate. He also stated that the Internal Revenue Department is fully cognizant of his earnings from his operation of the book-making establishment as well as profits received from the operation of the haberdashery business.

When Special Agents HECHT and GLENVILLE were leaving the store of PEILET, PAUL SHEPPARD approached Special Agent HECHT and made the remark, "Are

you investigating PEILET concerning the 'muscling in activities'". After this remark was made and before any repl[redacted] DAVID PEILET's [redacted] interrupted the conversation. b6 b7C

The following day PAUL SHEPPARD was contacted by Special Agent HECHT concerning the aforesaid remark made at the haberdashery store. PAUL stated that he was of the opinion that DAVID PEILET was operating his book-making establishment in an office located in the heart of the downtown district of Chicago free from any "muscling in activities" of the syndicate, primarily because he cooperated to the fullest extent with all members of the GUZIK gang. When questioned concerning the possibility of any pressure applied on DAVID PEILET concerning the $5,000. bond he placed for RALPH PIERCE, PAUL stated that he did not have any definite facts they established pressure but was of the opinion that if DAVID PEILET did not furnish the $5,000. cashier's check for RALPH PIERCE the syndicate would have required PEILET to turn over a certain percentage of his earnings in his book-making establishment. PAUL SHEPPARD was of the opinion that the above statement was an explanation of the question he directed towards Special Agent HECHT on the prior day concerning the investigation by Special Agents GLENVILLE and HECHT at the haberdashery store of DAVID PEILET. PAUL SHEPPARD stated that he had been employed in DAVID PEILET's haberdashery shop for approximately one year and was personally acquainted with RALPH PIERCE, JACK GUZIK and CHARLIE GIOE.

It is to be noted that Special Agent HECHT had been acquainted with PAUL SHEPPARD for approximately four years during the time Special Agent HECHT was in the United States Navy, at which time PAUL also served in the United States Navy, and was subsequently contacted in Chicago.

PEILET stated that he has never been arrested.

The following description was obtained from observation and interrogation:

Name:	DAVID J. PEILET
Race:	White
Sex:	Male
Date of Birth:	May 25, 1896
Place of Birth:	Chicago, Illinois
Height:	5'7"
Weight:	165 pounds
Hair:	Bald - slightly gray at the side
Eyes:	Hazel
Scars and Marks:	None

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Condition of Teeth:	Excellent
Dress:	Very meticulous
Education:	8th grade
Wife:	SYLVIA
Daughters:	ETHEL;
[redacted]	MRS. SHIRLEY RUSH [redacted] b6 b7C
Brothers:	MORRIS, resides Detroit, Michigan, second-hand furniture business;
	ROBERT, 3323 West 38th Place, junk business.
Occupation:	Haberdashery since 1910 - and book-making.
Residence:	6033 South Richmond, Chicago, Illinois.

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JFG:FO

The following was dictated by Special Agent JOHN F. GLENVILLE:

On October 11, 1947, Special Agents KENNETH L. HECHT and JOHN F. GLENVILLE interviewed Mrs. TONY BATTAGLIA, 158 W. 14th Street, Chicago Heights, Illinois. Mrs. BATTAGLIA stated that her husband had died February 7, 1946, at the age of fifty, of natural causes, a heart condition. She stated that her name was Mrs. MARY BATTAGLIA and that she was not acquainted with the fact that her husband had posted a bond in the amount of $5,000 in instant case. She stated that she had read in the papers about the parole of the Subjects and that if her husband had posted the bond, it was very likely for PHILIP D'ANDREA whom, the papers stated, resided in Chicago Heights, Illinois, where her husband operated a wholesale fruit and produce company. Mrs. MARY BATTAGLIA stated that she had access to the accounts of her husband's business and to his personal accounts and is certain that the $5,000 was not withdrawn from the personal account which was maintained at the Citizens National Bank of Chicago Heights, Illinois. She stated, however, that her husband could have withdrawn this money from his business account as she did not audit or keep books of the business and had no occasion to check his accounts as she fully trusted him.

Mrs. MARY BATTAGLIA stated that she was not acquainted with any of the Subjects in instant case and could give no reason why her husband would post a $5,000 bond. She suggested that perhaps her husband's uncle, Mr. SAM BATTAGLIA, 192 Country Club Road, with whom TONY BATTAGLIA was in business, could furnish some information.

On October 13, 1947, Mr. SAM BATTAGLIA was interviewed at his home, 192 Country Club Road. He stated that he was not acquainted with the affairs of his nephew, TONY BATTAGLIA, as they had severed business relations approximately four years ago. He could furnish no reason why his nephew would furnish the $5,000 bond. He further stated that he was retired from the wholesale fruit and produce business. He also stated that he was not acquainted with any of the Subjects in the instant case.

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JBG:lab

WILLIAM D'AMICO, Glenwood, Illinois, was interviewed on October 13, 1947 by Special Agents JAMES B. GRANT and ALBERT J. RUSHING, JR., at D'AMICO's place of business, the G. D'Amico Macaroni Company, 3511 Chicago Road, Steger, Illinois. D'AMICO advised that he is Secretary-Treasurer of this company.

D'AMICO advised that he contributed $20,000.00 cash from his personal funds toward the bond of PHILIP D'ANDREA at the request of his brother, TOM D'AMICO, sometime in 1943, exact date not known. D'AMICO was contacted by his brother TOM at their place of business and requested to take the money to JOSEPH I. BULGER, a Chicago Attorney. D'AMICO and his brother TOM went to BULGER's law office in Chicago, where he gave BULGER the $20,000.00 cash to be placed on the bond of PHILIP D'ANDREA. He obtained a receipt from BULGER. The bond money was returned to D'AMICO by his brother TOM, in cash, sometime after the conviction of the subjects.

D'AMICO further advised that he received no profit from the transaction, and no offer or pressure of any kind was used to induce him to make his contribution. He only did contribute as a favor for his brother. He advised that he knew none of the subjects himself but that his brother TOM was acquainted with subject D'ANDREA. TOM D'AMICO, according to WILLIAM D'AMICO, is deceased, having died about three years ago. WILLIAM D'AMICO was not aware as to who approached TOM D'AMICO for the contribution on the part of WILLIAM D'AMICO. WILLIAM D'AMICO presumed, however, that his brother TOM acted because of his personal friendship with D'ANDREA and also possibly as a means of deriving good will from unknown and unidentified customers of the G. D'Amico Macaroni Company. TOM D'AMICO, according to WILLIAM D'AMICO, made no contribution to apply on the bail bonds.

WILLIAM D'AMICO advised further that he has not been approached since in regard to any other loans or contributions on behalf of any of the subjects for payment of income tax claims or any other purpose, and that he has no knowledge beyond what he has read in the newspapers of any possible bribery or irregularity in connection with instant parole.

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AJR:lab

JAMES GRAZIANO, who resides at Lake Zurich, Illinois, was interviewed on October 13, 1947, by Special Agents JAMES B. GRANT and ALBERT J. RUSHING, JR., at GRAZIANO's place of business, the J. P. Graziano Grocery Company, 901 West Randolph Street, a wholesale grocery store. GRAZIANO advised that he is a partner with his son in the operation of this business.

GRAZIANO advised he contributed a $10,000.00 certified check to apply to the bond of PHILIP D'ANDREA. This check was on a bank account of the J. P. Graziano Grocery Company, and was derived solely from the funds of that company. GRAZIANO advised that he was contacted by telephone by some person, name unknown, who identified himself as a friend of D'ANDREA and asked GRAZIANO to make a contribution to apply on D'ANDREA's bond. This unknown caller also requested GRAZIANO to take his contribution to the office of Attorney JOSEPH BULGER.

Acting in accordance with this request, GRAZIANO went to BULGER's office in Chicago to make his contribution. In BULGER's office was a man who identified himself to GRAZIANO as the person who had called GRAZIANO on the telephone, as related above, but this individual was not identified by name to GRAZIANO. GRAZIANO did not know this man, whom he described as being an Italian. Also at BULGER's office at this time was one RAGO, an undertaker whose business is located on Western Avenue in Chicago. GRAZIANO understood that RAGO also made a contribution at this time.

From BULGER's office, GRAZIANO accompanied by BULGER, RAGO and the unidentified individual, proceeded to the office of the American Casualty Company, where GRAZIANO and RAGO turned over their contributions to the American Casualty Company. GRAZIANO advised that he obtained a receipt for his $10,000.00 contribution.

GRAZIANO related that subsequent to the trial of the subjects, he received his $10,000.00 in cash from BULGER. According to GRAZIANO, he received no profit in any form from the transaction and he made his contribution without any offer or pressure of any kind being used to induce him to make it.

GRAZIANO advised that D'ANDREA is the only one of the defendants with whom he was acquainted and his contribution was made solely on the basis of his personal friendship with D'ANDREA. GRAZIANO first met D'ANDREA about ten years ago at resorts located at Benton Harbor, Michigan, and later continued a rather casual association with him at Michigan resorts and in Chicago. GRAZIANO recalled that D'ANDREA occasionally bought groceries from him, in amounts only for personal use. He denied that he had ever had any business dealings otherwise with D'ANDREA and stated that he has never been a member of the Italo American National Union.

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GRAZIANO stated that he has not seen D'ANDREA at all since at least six months prior to D'ANDREA's conviction. He denied that since the furnishing of the funds for the bail bond he has ever been approached for any loan or contribution on behalf of any of the subjects to apply on income tax claims or otherwise. GRAZIANO also made a general denial that he has any knowledge other than what he has read in the newspapers of any possible bribery or irregularity in connection with instant paroles.

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JFG/KLH:BPA/lml

ANTHONY PERRY was interviewed October 11, 1947, at his place of business, the City Beverage Company, 1324 McKinley Street, Chicago Heights, Illinois, by Special Agents KENNETH L. HECHT and JOHN F. GLENVILLE.

PERRY readily admitted that he had posted $10,000 bond by cashiers check drawn on the Chicago Heights National Bank on behalf of PHILIP D'ANDREA. D'ANDREA personally contacted PERRY to post some money for his bond. He informed PERRY the purpose of the bond. PERRY told D'ANDREA that he would be able to post $10,000, which was agreeable to D'ANDREA. PERRY stated that he was contacted several days later by Attorney JOSEPH I. BULGER of Chicago, who requested him to bring the money to his office at 139 North Clark Street. PERRY stated that the money used consisted of personal funds that he had at home and funds that he had withdrawn from his safe box in the Chicago Heights National Bank, and also $2,000.00 loaned to him by his brother, PASQUALE, who is a partner with ANTHONY PERRY in the Pabst Blue Ribbon Beer distributing business in Chicago Heights and Kankakee, Illinois. PERRY stated that he then took the cash that he had collected over to the Chicago Heights National Bank, where he had a cashiers check drawn for $10,000.00.

PERRY was very evasive when answering the question as to whether the $10,000.00 consisted of his personal funds, and contradicted his story several times. In one instance, he stated that he had withdrawn the entire amount from the Chicago Heights National Bank and took the money to the cashier and requested him to make up the cashier's check. When further questioned on this point as to why he used this procedure, he then gave the facts set out above. PERRY was asked if he had given this information to the Internal Revenue Department, and he stated that he did not give them information as to how he secured the funds. PERRY stated that he brought the funds to the office of JOSEPH I. BULGER, the exact date unknown, and with a group of several other persons, brought the money to the American Casualty Insurance Company. He stated that he did not know any of the other persons who accompanied him to the American Casualty Insurance Company.

While at the office of Attorney BULGER, he stated that he met an acquaintance of his by the name of WILLIAM D'AMICO, who stated that he was also contributing to the posting of the bond of D'ANDREA. He did not state how much this share of the contribution was.

PERRY stated that no pressure was used at the time D'ANDREA requested him to post the bond, and that he received no profit or fee as a result of posting the bond. He stated a receipt was received by him for the $10,000.00 that he posted. He does not recall the exact date when his money was returned, but stated it was some time after the trial was over. He stated that he received the money in return by check several months after the trial was completed.

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The reason given by PERRY for posting the bond was that he has been personally acquainted with PHILLIP D'ANDREA for the past twelve years. D'ANDREA has spent a greater part of his time in Chicago Heights, Illinois. It was strictly for personal friendship that he posted the bond and stated that his refusal to post the bond would in no way affect his beer distributing business in Chicago Heights or in Kankakee, Illinois. He stated he is in no way controlled and no interest is held in his business by members of the Chicago syndicate.

PERRY stated that he was not acquainted with the parole of the subjects until he read about it in the newspaper and was quite surprised that they were paroled.

PERRY stated that he started in the beer distributing business immediately after prohibition was repealed and took over Pabst Blue Ribbon Distributorship about 1937. He apparently is enjoying a good income from this business. He stated that the only other member of the Chicago syndicate that he has met is JACK DIAMOND.

PERRY also was asked if he had made any contributions to the tax settlement case of CAMPAGNA, et al. He stated that he did not. He did state, however, after some questioning, that he had heard from a friend of his "in a spot" that funds were being collected as "loans" to pay the income tax settlement of CAMPAGNA. When pressed for further information, PERRY stated that he did not wish to disclose the name of the friend nor the spot where he had heard the funds were being collected. PERRY concluded by stating, "I think it is better boys when you keep your mouth shut. You don't get in trouble and that way no one will be hurt."

The following physical description and information concerning ANTHONY PERRY was obtained by observation and interview:

Name:	ANTHONY PERRY
Race:	White
Sex:	Male
Nationality:	Italian
Date of Birth:	September 15, 1903
Place of Birth:	Chicago Heights, Illinois
Height:	5'3"
Weight:	154 pounds
Eyes:	Brown
Hair:	Black

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Complexion:	Ruddy
Education:	Completed grade school
Marital Status:	Married
Wife:	LAURA
[redacted]	
Father:	SANDY PERRY
Mother:	JOANNA PERRY
Arrest:	Admits none

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b7C

- P E N D I N G -

Chicago File No. 58-194
WSM:LML

UNDEVELOPED LEADS

THE CHICAGO OFFICE

At Chicago, Illinois:

*Will consider the advisability of reinterviewing JOSEPH I. BULGER, 134 North Clark Street, after the interview with ANTHONY ACCARDO, concerning the use of his name by ACCARDO, and for any information in connection with instant paroles.

*Will, after the completion of the interviews with the individuals posting cash collateral for bonds for the subjects, interview JOSEPH BULGER concerning his connection with the bond matter.

*Will interview the following individuals who contributed cash collateral toward the bonds of the subjects of this case in 1943 and 1944:

LOUIS B. COHEN, Seneca Hotel, Chicago - $10,000
Mrs. ELSIE PLEIG, 4300 Marine Drive, Chicago - $10,000

*Will interview SAM RINELLA, 775 South Chappel Avenue, with reference to his posting $5,000.00 cash bond through GEORGE CHERONES, 105 North Clark Street, for RALPH PIERCE.

*Will interview EDWARD DOBKIN, possible address 5107 South Blackstone, with reference to his posting $20,000.00 bond through Attorney JEROME JOHNSON, 1 North LaSalle Street, for the bond of RALPH PIERCE.

*Will interview JOSEPH FUSCO, Gold Seal Liquors, Inc., 707 West Harrison Street, as he requested CHARLES and PHILLIP LA MANTIA to contribute toward D'ANDREA's bond.

*Will interview GEORGE F. CALLAGHAN, Attorney, Bankers Building. CALLAGHAN represented all of the subjects in the bond matter.

*Will interview THOMAS O'NELLIA, former president of the Italo-American National Union, who asked SAM GAROFOLO to put up cash collateral for subjects' bonds.

Will, at the Northern Trust Company, Chicago, Illinois, examine the bank account of the Italo-American National Union.

Will interview HARRY RUSSELL and DAVE RUSSELL, who may be residing at 641 West Madison Street, Chicago, Illinois, concerning their contribution of $8,000.00 toward the posting of a bond for RALPH PIERCE, transaction handled by DAVID V. [illegible]ET.

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RER:LML

At Chicago, Illinois (Cont'd.)

Will locate and interview PASQUALE PERRY concerning his contributing $2,000.00 toward the posting of $10,000.00 cash bond for D'ANDREA through his brother, TONY D'ANDREA.

At Oak Park, Illinois:

Will, at the Oak Park National Bank, Oak Park, Illinois, examine the bank account of JOSEPH I. BULGER, President of the Italo-American National Union.

At River Forest, Illinois:

*Will interview ANTHONY ACCARDO, 1334 North Ashland Avenue, in regard to his using the name of JOSEPH I. BULGER while visiting DeLUCIA and CAMPAGNA while they were incarcerated in Leavenworth.

*Will also interview ACCARDO for any knowledge he may have in connection with the securing of the paroles of these subjects.

- P E N D I N G -

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 14 1947

TELEMETER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/93 BY SP5C/cad

Mr. Tolson
Mr. Ladd
Mr. Clegg
Mr. Glavin
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

WASH 7 FROM CGO 14 6-35 PM RLS

DIRECTOR AND SAC WASH FIELD (LITTLE ROCK SEPARATELY ADVISED) URGENT ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, CHARLES GIOE, WAS, PHILLIP D-ANDREA, WAS, PAUL DE LUCIA, WAS, JOHN ROSELLI, WAS, BRIBERY, PAROLE MATTER. BUREAU IS CONDUCTING A SPECIAL INVESTIGATION IN CONNECTION WITH PAROLE OF THE ABOVE NAMED SUBJECTS AT THE SPECIFIC REQUEST OF ATTORNEY GENERAL CLARK. WASHINGTON FIELD IS OFFICE OF ORIGIN. COPIES OF ALL CORRESPONDENCE TO BE FURNISHED TO CHICAGO AND TO BUREAU, ATENTION ASSISTANT DIRECTOR A. ROSEN. THE ABOVE CAPTIONED SUBJECTS WERE CO-DEFENDANTS IN ANTI - RACKETERING PROSECUTION BROUGHT IN THE U. S. DISTRICT COURT FOR THE SD OF NY. THESE SUBJECTS, TOGETHER WITH GEORGE BROWNE, WILLIE BIOFF AND OTHERS, WERE CHARGED WITH HAVING EXTORTED FROM VARIOUS MOTION PICTURE PRODUCERS A SUM UPWARD OF ONE MILION DOLLARS. THE CAPTIONED SUBJECTS WERE CONVICTED AND SENTENCED TO TEN YEARS IMPRISONMENT AND FINED TEN THOUSAND DOLLARS ON DECEMBER THIRTY ONE, FORTY THREE. FIVE SUBJECTS MENTIONED ABOVE WERE ALL RELEASED ON PAROLE AUGUST THIRTEEN LAST AFTER HAVING ~~XXX~~ SERVED JUST SLIGHTLY OVER THE MINIMUM SENTENCE RECEIVED FOR THIS CONVICTION. IT IS REQUESTED THAT THE LITTLE ROCK OFFICE INTERVIEW WILLIAM YARIO, NOW STAYING AT THE ARLINGTON HOTEL, HOT SPRINGS, ARKANSAS. RECORDS OF AMERICAN CASUALTY COMPANY, CHICAGO, REFLECT THAT YARIO , ONE SEVEN NINE NORTH LA PORTE STREET, CHICAGO, ADVANCED TWENTY THOUSAND DOLLARS TO THE AMERICAN CASUALTY COMPANY ~~XXX~~ TO

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DEC 3 1947

51 DEC 18 1947

cc Mr. Rosen
Mr. McCabe

BE USED AS PART OF BOND OF SUBJECT PAROLEES. LITTLE ROCK SHOULD INTERVIEW YARIO, DETERMINING IF THE ABOVE AMOUNT IS THE TOTAL AMOUNT CONTRIBUTED TO SUBJECTS BONDS AND WHETHER SUCH AMOUNT IS FROM HIS PERSONAL FUNDS OR WHETHER HE WAS ASSISTED IN RAISING SAID MONEY THROUGH SOMEONE ELSE. DETERMINE WHO REQUESTED MONEY AND PURPOSES FOR WHICH REQUESTED. HOW PAID, AND WHETHER CASHIERS CHECK, CERTIFIED CHECK, MONEY ORDER, PERSONAL CHECK, OR WHAT OTHER FORM USED. WHO WAS CONTRIBUTION GIVEN TO, WHEN AND WHERE, AND WAS RECEIPT OBTAINED? ASCERTAIN CONVERSATION RELATIVE TO TRANSACTION. HAS ANY MONEY BEEN REPAID, BY WHOM, AND IN WHAT MANNER? WAS THERE ANY PROFIT, FEE, COMMISSION OR BONUS PROMISED FOR FURNISHING SAID CONTRUBITIONS? DETERMINE IF ANY MONEY WAS GIVEN OR LOANED TO ATTORNEY EUGENE BERNSTEIN, SUBJECT-S CHICAGO ATTORNEY, OR TO ANYONE TO ASSIST IN SETTLEMENT OF TAX CASES FOR SUBJECTS. ATTORNEY BERNSTEIN AND SUBJECT CAMPAGNA BOTH RECENTLY TESTIFIED BEFORE A CONGRESSIONAL HEARING INTO THIS MATTER THAT PERSONS UNKNOWN TO THEM ~~UNXXX~~ QUOTE ~~DROPEXXX~~ DROPPED UNQUOTE SOME ONE HUNDRED THIRTY THOUSAND DOLLARS ON ATTORNEY ~~BEXXX~~ BERNSTEIN-S DESK TO SETTLE THE INCOME TAX DEFICIENCIES AGAINST CAMPAGNA AND DE LUCIA. ASCERTAIN IF YARIO KNOWS OF ANY OTHERS WHO MAY HAVE CONTRIBUTED TO BAIL BOND IN NINETEEN FORTY THREE OR TAX SETTLEMENT IN FORTY SIX. ASCERTAIN AMOUNT OF CONTRIBUTION INVOLVED. DETERMINE IF YARIO ~~WSXXX~~ WAS EVER APPROACHED RELATIVE TO LOANING OR

PAGE THREE

GIVING MONEY IN ANY WAY TO ASSIST IN THE SETTLEMENT OF TAX CLAIM, BAIL BOND OR PAROLE OF SUBJECTS, OR TO ASSIST SUBJECTS IN ANY MANNER WHATSOEVER. DEVELOP INFORMATION RELATIVE TO YARIO-S ACQUAINTANCE WITH SUBJECTS AND THE REXX RELATIONSHIP THAT EXISTS BETWEEN HIM AND SUBJECTS. WILLIAM YARIO IS ALSO KNOWN AS SHEENIE ALBERTS, EX GAMBLER AND BOOTLEGGER. IT IS ALSO REPORTED THAT YARIO HAD SOME CONNECTION WITH THE ARGO BANK ROBBERY IN WHICH LOUIS CAMPAGNA WAS CONVICTED. EXPEDITE AND SUTEL CHICAGO, BUREAU AND WASHINGTON FIELD, SUBMITTING IMMEDIATE REPORT WITH COPIES TO ABOVE OFFICES.

.MC SWAIN

END ACK

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: ASSISTANT DIRECTOR A. ROSEN

DATE: October 14, 1947

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY

There are attached for the Bureau's information clippings from the Chicago Herald-American and the Chicago Tribune under date of October 13, 1947, with regard to the captioned case.

MG
Encs.
2 ENCL

HANDLED BY STOREDESK

RECORDED 58-2000-231
E B I
32 DEC 3 1947

51 DEC 18 1947

Ready Report on Gang Plunder

Reports on the plundering of labor union treasuries by four recently paroled Guzik-Capone mobsters were being prepared here today by Rep. Fred E. Busbey (R) of Illinois.

Busbey said the reports will be turned over to a House committee investigating federal paroles granted Paul Ricca, Louis Campagna, Phil D'Andrea and Charles Gioe, after they served only three and a half years of 10-year sentences for extortion in the motion picture industry.

They took more than $1,000,000 from the 46,000 members of the International Alliance of Theatrical and Stage Employes alone, Busbey charged.

THE CHICAGO AMERICAN

Oct 13, 1947

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/10/95 BY SP5 alm

ENCLOSURE
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PAROLE PROBERS TURN TO UNION LOOTING BY GANG

Light Sought on Quashing of Indictments

BY JAMES DOHERTY

Records of the looting of numerous labor union treasuries by the Capone gangsters, Paul Ricca, Louis Campagna, Phil D'Andrea and Charles Gioe, who recently received federal paroles, are being sought in Chicago, Rep. Fred E. Busbey [R., Ill.] said yesterday.

An account of their piracy of many unions and the taking of money from the pockets of workingmen—to the tune of more than $1,000,000 from one union alone—is to be presented to the house committee of which Rep. Clare E. Hoffman [R., Mich.] is chairman, Busbey said.

It was from the 46,000 members of the International Alliance of Theatrical and Stage Employes that the Chicago gangsters took more than $1,000,000, according to Busbey's statement.

How Looting Was Done

The story is that the gangsters seized control of the union thru murder, intimidation, and union political manipulation by a national Sicilian crime organization, levied a 2 per cent assessment against the pay of all the union's members—and this money went into their own pockets.

"The government returned an indictment containing this charge against Ricca, Campagna, Gioe, and D'Andrea," Busbey explained. "It also indicted them for extorting $1,000,000 from wealthy Hollywood motion picture producers, including Joseph Schenck, and the Ricca boys went to prison for robbing the wealthy California producers, but not for taking money away from working men.

"The sentences for extorting money from the motion picture company owners was 10 years. The federal parole board members cut them to 3½ years, and the men were released last Aug. 13.

Wants Full Story

"But before they were turned out, the indictment charging them with the theft of $1,000,000 from the union members had to be disposed of, or the parolees would be recalled to New York and again placed on trial. We don't know when, how, or why the second set of indictments was killed, but we presume Atty. Gen. Tom C. Clark will be able to tell us.

"We think it important that congress have the full story of the paroles, which to many persons seem to have been unjustified and to be contrary to the proper administration of justice.

"We have been advised that State's Atty. William Tuohy of Chicago has a large file on these parolees, dealing with their seizure of unions."

Courtney Aided Prosecution

"His predecessor, Thomas J. Courtney, now a Circuit judge, started that file and has said he gave assistance to the prosecution of these men in New York.

"Congressmen are being told daily of the way these parolees operated to get control of unions and what they did after they put their men in as union officials. The whole story should be told when a final report is to be made on whether there was a miscarriage of justice in giving these men paroles.

"First, however, we want to know why the government dropped the last charge against them."

CHICAGO DAILY TRIBUNE
Oct 13, 1947

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OCT 17 1947

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WASHINGTON AND WASHINGTON FIELD 6 FROM CHICAGO 15 4-50PM EGG

CONF TO DIRECTOR AND SACS MIAMI AND WASHINGTON FIELD

ATTENTION ASSISTANT DIRECTOR A. ROSEN

URGENT

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. ANTHONY JOSEPH ACCARDO, WAS, TONY ACCARDO, JOE BATTERS, URGENTLY BEING SOUGHT FOR INTERVIEW THIS CASE AND REPORTED BY CHICAGO OFFICE INFORMANT TO HAVE DEPARTED LAST WEEKEND WITH OTHER MEMBERS OF CHICAGO SYNDICATE FOR MIAMI, FLORIDA. ACCARDOS WIFE DENIES KNOWLEDGE OF HIS WHEREABOUTS SINCE SEPTEMBER TWENTYNINE LAST. CONTACT INFORMANTS, AS WELL AS ANY IMPORTANT SYNDICATE FIGURES NOW LOCATED IN YOUR TERRITORY, FOR INFORMATION AS TO PRESENT OR LAST KNOWN WEEREABOUTS OF ACCARDO. ALSO CHECK AT AND NEAR FOUR TWO SEVEN FIVE NORTH MERIDAN AVENUE, MIAMI BEACH, REPORTED ACCARDO WINTER RESIDENCE. IF ACCARDO IS LOCATED, INTERVIEW GENERALLY AS FOLLOWS. RECORDS OF LEAVENWORTH PENITENTIARY INDICATE ATTORNEY BERNSTEIN VISITED SUBJECTS CAMPAGNA AND DE LUCIA VARIOUS TIMES. IN MANY OF THESE VISITS HE WAS ACCOMPANIED BY AN INDIVIDUAL REGISTERED AS JOSEPH BULGER, ATTORNEY, CHICAGO. ON NONE OF VISIT RECORDS DOES ACCARDOS NAME APPEAR. ADMISSIONS MADE AT CONGRESSIONAL HEARING AND TO AGENTS BY CAMPAGNA AND DE LUCIA THAT ACCARDO VISITED THEM WHILE THEY WERE INCARCERATED. TWO CORRECTIONAL OFFICERS AT LEAVENWORTH PENITENTIARY STATED ACCARDOS PICTURE STRONGLY RESEMBLES PERSON ACCOMPANYING BERNSTEIN ON HIS VISITS. BERNSTEIN ADMITTED TO AGENTS THAT BULGER DID NOT ACCOMPANY HIM, BUT THAT ACCARDO DID. BERNSTEIN DENIES KNOWING ACCARDO USED BULGERS NAME AT TIME OF VISIT

RECORDED
INDEXED

DATES OF BERNSTEINS AND ACCARDOS VISITS TO CAMPAGNA AND DE LUCIA ARE NINE FOUR, TEN EIGHTEEN, TWELVE SIX FORTYFIVE, ONE FIFTEEN FORTYSIX, FOUR TWENTYNINE, SEVEN TWENTYTWO, ELEVEN SIX FORTYSIX, ~~SXX~~ THREE SIX, FIVE EIGHT, SIX TWENTYTHREE FORTYSEVEN. BERNSTEIN WROTE AT LEAST EIGHT LETTERS TO LEAVENWORTH PENITENTIARY REQUESTING PERMISSION TO TALK TO CAMPAGNA AND DE LUCIA ACCOMPANIED BY QUOTE THE GENTLEMAN WHO HAS PREVIOUSLY ACCOMPANIED ME AND WHO IS ~~ACAXX~~ ~~AGAXX~~ ACQUAINTED WITH THEIR PERSONAL AFFAIRS UNQUOTE. QUESTION ACCARDO AS TO WHO TOLD HIM TO USE BULGERS NAME IN REGISTERING AT LEAVENWORTH PENITENTIARY, WHO THIS MATTER WAS DISCUSSED WITH PRIOR TO FIRST VISIT, IF BERNSTEIN OR BULGER KNEW OF ARRANGEMENT FOR THE USE OF BULGERS NAME, IF ACCARDO HAD ANY PART IN THE COLLECTION OF FUNDS PLACED ON BERNSTEINS DESK BY SO CALLED ANONYMOUS PERSONS FOR THE PAYMENT OF CAMPAGNAS OR DE LUCIAS INCOME TAX, AS TO WHAT WAS DISCUSSED ~~DXX~~ DURING HIS VISITS WITH BERNSTEIN TO LEAVENWORTH PARTICULARLY AFTER JULY TWENTYTWO, FORTYSIX VISIT. INCOME TAX MATTERS WERE GIVEN AS REASONS FOR VISITS, HOWEVER, ~~CAMPANXX~~ CAMPAGNAS AND DE LUCIAS TAXES WERE PAID BY BERNSTEIN AS OF OCTOBER ELEVEN, FORTYSIX. ASK ACCARDO ABOUT ALLEGATION THAT DE LUCIA CONTROLLED CHICAGO POLITICS FROM LEAVENWORTH ~~DXXX~~ THROUGH ACCARDO. INFORMATION RECEIVED CHICAGO THAT ACCARDO WAS OPERATING CHICAGO SYNDICATE WHILE DE LUCIA IN PENITENTIARY AND THAT ACCARDO HAD TO ~~SEIXX~~ STEP DOWN WHEN DE LUCIA WAS ~~PRXX~~ PAROLED. TELETYPE SUMMARIES ON ALL MATTERS INSTANT CASE MUST BE SENT TO CHICAGO,

58-2000-232

WASHINGTON FIELD, O. O., AND BUREAU ATTENTION A. ROSEN, FOLLOWED IMMEDIATELY BY A REPORT TO SAME OFFICES AMSD. MIAMI SHOULD IMMEDIATELY SUBMIT REPORT ON INTERVIEW OF JOHN DOOR.

MC SWAIN

ACK PLEASE

MIAMI TO BE ADVISED

TWO COPIES WFO

Orig: Mr. McCabe

6:20 P
NA

BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 15 1947

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carter
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Miss Gandy

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TELEMETER

WASHINGTON AND WASHINGTON FIELD 5 NEW YORK 1 FROM CHICAGO 15 4-43 PM
CONF DIRECTOR AND SACS NEW YORK AND WASHINGTON FIELD URGENT
ATTENTION ASSISTANT DIRECTOR A. ROSEN
LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. REMYTEL TENTH
INSTANT AND NYC REPORT OF SA CHARLES A. DONELAN OCTOBER THIRTEEN
FORTYSEVEN RE WHEREABOUTS OF ANTHONY JOSEPH ACCARDO, WAS, TONY
ACCARDO, JOE BATTERS. FOLLOWING CONTACT WITH FRANCIS CURRY, KNOWN
CRIMINAL SNYDICATE CHARACTER AND HANDBOOK OPERATOR, JOLIET, ILLINOIS
VICINITY, AS TO POSSIBLE WHEREABOUTS OF ACCARDO. CURRY TELEPHONICALLY
CONTACTED FOLLOWING NEW YORK NUMBERS ON OCTOBER TEN FORTYSEVEN.
ELDORADO FIVE THREE NAUGHT NAUGHT NAUGHT AT ELEVEN NAUGHT FIVE AM
AND FOUR TEN PM. WINDSOR SIX ONE ONE SEVEN NINE AT FOUR TWELVE PM
ON OCTOBER ELEVEN FORTYSEVEN, SAME WINDSOR NUMBER AT ELEVEN
FOURTEEN AM. SAME ELDORADO NUMBER AT TWELVE NAUGHT ~~TO XX~~ TWO PM AND
TWO FIFTYTWO PM. AND LORAINE SEVEN FOUR FIVE NAUGHT FIVE AT ELEVEN
TWENTYSEVEN AM AND TWO FORTYEIGHT PM. ABOVE CALLS MAY HAVE BEEN
INC CONNECTION WITH HANDBOOK BETS OR POSSIBLY TO ~~ACARXX~~ ACCARDO OR
PERSONS KNOWING LATTERS WHEREABOUTS. IN ADDITION TO CHECK OF
PHONE CALLS, CONDUCT INTENSIVE INVESTIGATION TO ASCERTAIN ACCARDOS
PRESENT WHEREABOUTS. INQUIRIES NEED NOT BE DISCREET IN THAT IT IS
GENERALLY KNOWN HE IS WANTED FOR QUESTIONING. CONSIDER CONTACT WITH
JOE COSTELLO AND OTHER IMPORTANT CRIMINAL CHARACTERS KNOWN TO ACCARDO.
SUTEL RESULTS.
MC SWAIN
ACK PLEASE

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OCT 18 1947

Transmitted to Nyc

cc: Mr. McGrath

BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 15 1947

TELEMETER

WASHINGTON AND WASHINGTON FIELD 4 15 3-34PM A

CONF TO DIRECTOR FBI AND WASHINGTON FIELD URGENT

ATTENTION ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. JAMES PACELLI, REPUBLICAN COMMITTEEMAN, TWENTIETH WARD, STATED HE WAS ELECTED APRIL NINETEEN FORTYFOUR FOR FIRST TIME. CLAIMS REPUBLICANS SELECTED POOR CANDIDATE IN MAYORALITY RACE IN CHICAGO. BESEES DEMOCRATS WERE ABLE TO GIVE OUT FIVE HUNDRED JOBS AGAINST THIRTYFIVE JOBS AVAILABLE FOR REPUBLICAN PARTY. CLAIMS HE HAS HAD TOO LITTLE TIME TO DEVELOP REPUBLICAN PARTY ORGANIZATION TO SMOOTH FUNCTIONING ORGANIZATION. CLAIMS NO TERRORISM EXISTED IN [redacted] NOVEMBER NINETEEN FORTYSIX ELECTION. DISCLAIMS DECREASE OF REPUBLICAN VOTE IN WARD HAD ANYTHING TO DO WITH PAROLES OF SUBJECTS. SCOFFS AT THOUGHT PAROLES WOULD IN ANY WAY AFFECT AN ELECTION. CLAIMS DEMOCRATS ARE PREDOMINANTLY STRONG IN ITALIAN WARDS. DENIES EVER PARTICIPATING IN PAROLE MATTER AND CLAIMS HE WAS NEVER APPROACHED TO USE HIS INFLUENCE TO EFFECT [redacted] PAROLE OF ANY SUBJECTS. CLAIMS HE IS NOT ACQUAINTED WITH PAROLEES OR THEIR FAMILIES. KNOWS NOTHING ABOUT MANNER IN WHICH PAROLES WERE SECURED NOR DOES HE KNOW ANYTHING ABOUT [redacted] ALLEGED QUOTE PAYOFF UNQUOTE OR PAROLE MATTER EXCEPT WHAT HE HAS READ IN NEWSPAPERS.

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MC SWAIN

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cc: Mr. Tracy

ACK PLS 18 1947

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD CHICAGO FILE NO. 58-194

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
CHICAGO, ILLINOIS	10/15/47	10/13-15/47	WAYNE S. MURPHY (A) WSM:EBD

TITLE	CHARACTER OF CASE
LOUIS CAMPAGNA, with aliases ET AL	BRIBERY PAROLE MATTERS

SYNOPSIS OF FACTS: Witnesses interviewed who contributed cash collateral on bonds of Subjects maintain these contributions were made because of friendships with the Subjects or at the request of mutual friends. These witnesses deny that any pressure or coercion was brought to bear in the securing of this collateral. Collateral returned to them after Subjects were sentenced. None of the witnesses interviewed received any interest or bonus on their cash advances. All deny contributing any additional funds on behalf of Subjects for any purpose. JOE FUSCO who solicited $50,000 from various individuals for bond of Subject DELUCIA states he received no fee or commission for so doing. He refuses to answer any questions concerning contributions to fund for settlement of tax claim against any of the Subjects. PAGELLI, FIANDO and GRANATA, Republican Committeemen from the 20th, 25th and 27th Wards, respectively, deny participation in parole matter and disclaim ever having been approached to assist parolees. Disclaim Republicans sold out to Democrats in 1946 election and stated there was no terrorism in their wards during 1946 elections. Deny any knowledge concerning any irregularities with respect to the release of the Subjects on parole.

NO STATISTICS

2/10/95 SPSA (Chg)

- P -

REFERENCE: Letter from the Bureau to the Washington Field dated September 22, 1947.

DEFERRED REFERENCE

Report of SA(A) WAYNE S. MURPHY dated 10/14/47, Chicago.

DETAILS: At Chicago, Illinois:

APPROVED AND FORWARDED: SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

RECORDED & INDEXED 235

COPIES OF THIS REPORT

3 - Bureau (AMSD), ATT: Ass't Director D. M. ROGEN
2 - Washington Field (AMSD), 58-291
4 - Chicago

cc to AX 12-23

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7-2035

Chicago file 58-194
WSM:EBD

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Chicago File 58-194
JBG:EOD

The following interview was conducted by Special Agents JAMES B. GRANT and PAUL B. FRANKFURT on October 14, 1947:

AUGUST ARADO, 8046 South Rhodes Avenue, advised that he contributed $7500 from his personal funds in the order of a cashier's check to apply collectively on the bonds of subjects in this case sometime in 1943, exact date unknown. ARADO said that he was contacted by JOE FUSCO, who came to his office and asked him to put up the money as a matter of friendship between the two of them. ARADO obtained a cashier's check in the amount of $7500 from the Central National Bank and took it to the law office of JOSEPH BULGER, where it was placed towards the bonds of the subjects and at which time he received a receipt, which he now has in his possession. He mentioned that several months later he received a telephone call from an insurance company, name and address unknown, advising that his money could then be refunded to him. This money was repaid to him in the form of a check but he could not recall the bank on which it was drawn.

ARADO, who was a car lot produce salesman for the La Marrita Brothers Arrigo Company, 28 South Water Market, advised that he knew none of the subjects and that the only reason he put up the money was because he was requested to do so by JOE FUSCO, whom he had known most of his life and who, he stated, is one of the executives of the Gold Seal Liquor Company in Chicago.

ARADO further advised that he received no remuneration of any kind for posting this bond. He stated that no pressure was put upon him to post this bond and he knew of no irregularities concerning any tax matters or parole matters involving the subjects. He said that he has not been approached since that time to contribute in any way towards any matters involving the subjects.

Chicago File 58-194
AJR:rmb

FRANK ARRIGO, Secretary-Treasurer of the LaMantia Brothers Arrigo Company, was interviewed on October 14, 1947, by Special Agents CLYDE E. HARE and ALBERT J. RUSHING, JR. at ARRIGO's residence, 7637 South Park Avenue, Chicago, Illinois.

ARRIGO advised that he contributed $10,000 from his personal funds to apply on the bail bond of all of the Subjects in 1943. ARRIGO's contribution was made upon the request of JOE FUSCO and was made on the basis of many years of personal friendship between ARRIGO and JOE FUSCO, as well as other members of the FUSCO family. According to ARRIGO, no pressure was used to induce him to make this contribution. He stated that FUSCO did offer to pay an unspecified amount of interest to ARRIGO but ARRIGO refused this offer, stating that he did not consider this a business loan but entirely a personal matter based on friendship. ARRIGO stated that he was not acquainted and is not now acquainted with any of the defendants for whom the bond was posted.

ARRIGO advised that his contribution was in the form of a cashier's check which he purchased with $10,000 cash. He explained that he was then and still is an owner of race horses and that he kept an amount of cash on hand in connection with his horseracing operations. ARRIGO exhibited to Agents a receipt for the cashier's check referred to, receipt No. 161498 dated April 6, 1943 in the amount of $10,000 payable to FRANK ARRIGO and drawn on the Central National Bank of Chicago.

ARRIGO related that the $10,000 represented his personal funds only. At FUSCO's direction, ARRIGO took the cashier's check to an attorney at the latter's office on North Clark Street. ARRIGO recalled that this attorney's name was BULGER. ARRIGO was accompanied to BULGER's office by FUSCO and delivered the cashier's check to BULGER. According to ARRIGO's recollection, he was given no receipt for his contribution.

ARRIGO stated that he had no understanding with FUSCO or otherwise as to whether his contribution was to apply on the bonds for one or for all of the defendants.

ARRIGO recalled that subsequently he was refunded in full for his $10,000 contribution, the refund being made in cash by Attorney BULGER at the latter's office. ARRIGO stated that he received no more or less than $10,000, and so far as he recalled, he did not give a receipt upon the return of this sum of money.

Concerning his relationship with JOE FUSCO, ARRIGO advised that he has known FUSCO's entire family for many years, and he first became

acquainted with JOE FUSCO's father, CALLO (ph.) FUSCO, in the old country, Italy. After ARRIGO and the FUSCO family came to Chicago, their families continued to be good friends. ARRIGO denied, however, that they had ever belonged to any social or fraternal groups together or any other organizations. When questioned as to possible business relationships between himself and the FUSCO family, ARRIGO stated that JOE FUSCO's uncle, name unknown (possibly PHIL FUSCO), occasionally bought produce wholesale from LaMantia Brothers Arrigo Company and in turn sold this produce to retailers. ARRIGO mentioned that JOE FUSCO's father also occasionally accompanied the uncle in this enterprise. ARRIGO stated that there were no other business dealings between himself and JOE FUSCO or members of the latter's family.

ARRIGO stated that all of the Subjects in this matter are unknown to him personally. He denied that subsequent to the matter of the bail bond that he has been contacted for any loan or contribution on behalf of any of the Subjects for the settlement of income tax claims or otherwise. ARRIGO also made a general denial of any knowledge of bribery or irregularities in connection with instant paroles.

ARRIGO advised that he is partially incapacitated by heart trouble and that for the last several years he has devoted only part of his time to his business. ARRIGO stated he has no interest in the Krispy Kleen Vegetable Company. ARRIGO also specifically denied that he is acquainted with Subject D'ANDREA who, as reflected previously in this investigation, was offered employment by the Krispy Kleen Vegetable Company.

It is noted that Philadelphia teletype dated October 10, 1947 in this case shows the name of PHILIP ARRIGO, 7637 South Park Avenue, Chicago, as having contributed $10,000 on the bail bond. It is noted in this regard that FRANK ARRIGO resides at the address given. FRANK ARRIGO at the time of interview advised that he has no relative by the name of PHILIP ARRIGO and that no such person exists to his knowledge.

Chicago File No. 58-194
JCW/JEH:LML

On October 14, 1947, Mrs. LUCY NUNZIATA, the former LUCY CARUSO, was interviewed at her home, 772 West De Koven Street, Chicago, Illinois, by Special Agents JOE C. WHEELER and JOHN E. HOWARD.

Mrs NUNZIATA advised Agents that she had no information whatsoever relative to instant matter. She stated that the money that was put up for the bond of subject parolees was put up in her name by her sister, DEHLILA CARUSO. Mrs. NUNZIATA stated that at the time this was done, she was ill, and her sister handled the matter, putting up $5,000.00 for each of them.

DEHLILA CARUSO was interviewed at the same time by Agents and advised that at the time of apprehension of subject parolees, she had put up the sum of $10,000.00 for the bond of subject parolees. She put up $5,000.00 of this money in her own name and $5,000.00 in the name of her sister, LUCY CARUSO. She stated that at that time, her sister LUCY was sick and she had handled the entire transaction. She advised that the money that was put up was taken from the ADM Sales Company, a juke box operating business that is owned jointly by herself and her sister LUCY, and that as the money from this business was the actual property of both of them, she had put up $5,000.00 in the name of each.

DEHLILA CARUSO at first stated that the money was paid by check and that she believes she had turned the money over to the American Casualty Company, which was the bonding agent for subject parolees. Later on, however, she recalled that she had actually turned the money over to Attorney JOSEPH I. BULGER and had taken the money to him at his office. She stated that she was given a receipt for the money at the time she turned it over to Attorney BULGER, but that she returned this receipt when Attorney BULGER repaid her the money she had put up to be used as part of the bond. She advised that she thinks she put up this money in the form of a certified check drawn on the Central National Bank of Chicago, Illinois.

DEHLILA CARUSO stated that she received no profit from this transaction whatsoever, and that she merely did it as a favor for a friend, and expected no profit from it. She has to this time refused to divulge the identity of the person who requested that this money be put up as a bond for subject parolees, but did advise that the request came to her through her brother, DOMONICK, who resides with her. She stated that this friend who made the request through her brother had at one time loaned a larger amount of money than the sum of $10,000.00 to herself when she needed it in connection with ADM Sales Company affairs, and, for that reason, she had willingly put up the $10,000.00 for bond when requested to do so by the as yet un-named individual.

She stated that neither she nor her sister has put up or loaned any money to pay the Government's income tax claim against subject parolees, nor have they put up or loaned any money to be used in procuring the paroles of subject parolees. She further advised that no one has, at any time, contacted her to put up any money for the above purposes. She stated that she had nothing whatsoever to do with procuring the paroles of subject parolees. She advised specifically that she does not know D'ANDREA, GICE, DeLUCIA or CAMPAGNA. She advised that she does not know Attorney Burnstein, nor is his name familiar to her.

Neither DEHLILA CARUSO nor her sister LUCY could furnish any further information relative to this matter.

Chicago File 58-194
AJR:rmb

EDWARD S. CODY, an attorney in the law firm of Churchill and Cody, 130 North Wells Street, Room 1818, Chicago, was interviewed on October 14, 1947, at his office by Special Agents CLYDE E. HARE and ALBERT J. RUSHING, Jr.

CODY advised that in 1943, he contributed an amount, of which he was rather uncertain but which he believed was possibly $10,000, to apply on the bail bond of the Subjects. According to CODY, the money which he contributed did not represent his funds at all but rather the funds of a client of CODY. CODY explained that this client, whom he represented then and whom he still represents, desired to make the contribution without having his name enter into the matter, and it was at this client's request that CODY made the contribution in the form of cash which was furnished him by the client. According to CODY, he himself delivered the $10,000 to an attorney at the latter's office in the building at 139 North Clark Street, Chicago. CODY was unable to advise the name of this attorney; he was specifically asked whether it was JOSEPH BULGER but stated he could not recall if that was the name or not.

CODY advised he was aware that legal procedures were available by means of which he might be required to divulge the name of his client referred to above. He stated, however, that because of the attorney-client relationship, he did not desire to discuss the matter further at this time or to divulge the name of the client voluntarily, and that he would reveal his client's name only after he has consulted with the client and obtained the latter's permission. CODY stated that his client, who is a reputable Chicago businessman, was presently out of the city and in Wisconsin and is expected to return to Chicago on Monday, October 20, 1947. CODY stated that he would, at the earliest opportunity on or before the date mentioned above, request his client's permission to reveal his identity and that he, CODY, would then advise the Chicago Office thereof.

Concerning his client, CODY mentioned that this individual is of Italian nationality and remarked that he did not know how the client was induced to contribute $10,000 unless it was by means of pressure of some sort. CODY stated he had no definite knowledge of such pressure, but indicated he believed his client would not have made such a contribution absolutely voluntarily. CODY expressed the personal opinion that the inducement may have been his client's nationality and the fact that the Italians are inclined to be very clannish.

Chicago File 58-194
AJR:rmb

CODY stated that based on his knowledge of his client's affairs he feels sure that his client has not been approached for any loan or contribution on behalf of the Subjects other than the bail bond. He also stated he is positive that his client did not act in any way in connection with the obtaining of the Subjects' paroles. CODY, himself, made a general denial of any knowledge of any contributions on behalf of Subjects, except as set out above, or that he had any knowledge of the manner in which instant paroles were obtained.

Chicago File No. 58-194
DJM:LML

EDWARD A. DOBKIN, 5104 Blackstone, Picadilly Hotel, telephone MIDway 0628, was interviewed by Special Agents DANIEL J. McCARTHY and PHILIP C. DUNNE on October 14, 1947, at which time he furnished the following information:

He advised that he posted $20,000.00 cash bond on behalf of defendant RALPH PIERCE. He stated that this was done at the request of RALPH PIERCE, who has been a close personal friend of his for over twenty-five years. DOBKIN advised that PIERCE requested him to post this money some time during the early part of 1943, and that the conversation concerning the same probably took place during the course of a poker game either at the Croydon Hotel or at Russell's Bar and Grill, State and Van Buren Streets.

DOBKIN further stated that he delivered this money to his attorney, JEROME JOHNSON, who handled the details of posting the bond. He advised that he was repaid the full amount in about three to six months after PIERCE was discharged. He believes that it was repaid by check from the American Casualty Company. DOBKIN stated that he received no commission or fee of any kind for posting this money, but did it purely as a personal favor for PIERCE.

DOBKIN advised that he did not know Attorney EUGENE O. BERNSTEIN and disclaimed any knowledge as to the manner in which the defendants in this case obtained their recent paroles. He denied that he had made any contribution to any fund or was acquainted with any irregularities in the settlement of the tax claims against any of these defendants.

DOBKIN further stated that the only one of the defendants he knew besides RALPH PIERCE was CHARLES "Cherry Nose" GIOE, whom he has occasionally played cards with. DOBKIN advised that his occupation was a bookmaker.

Chicago File 58-194
ALM:amd

The following investigation was conducted by Special Agents ROBERT E. RIGHTMYER and ADRIAN L. MEYER October 14, 1947.

ANDREW J. FLANDO, Republican Committeeman for the 25th Ward, was interviewed at his office, 160 North LaSalle Street, Room 1629, Chicago. FLANDO is in the Motor Fuel Division of the state of Illinois. FLANDO stated that he was acquainted with only DE LUCIA and none of the other parolees. He stated that he has not seen DE LUCIA since his parole but he has seen DE LUCIA's wife. He stated that no discussion was had relative to the paroles at the time he had conversed with her.

FLANDO indicated that he knows nothing about the manner in which the paroles were secured nor does he know anything about any alleged "pay-off" in connection with the securing of the paroles. He stated that he had never been contacted by anyone at any time to use his influence to secure the paroles for these parolees. He denied ever having assisted these men in any respect or for any purpose at any time. FLANDO stated that this vicious rumor with respect to the Republicans "selling out" to the Democrats is nothing more than the figment of imagination of those writing for the newspapers. He states that he knows of no terrorism whatsoever during the November, 1946 election and claims that it was positively absurd to think that there was any terrorism necessary in order to secure the necessary votes for the Democratic Party as they have been in the majority in this ward for many years. He stated that there was nothing to the rumor that it was necessary to secure the parole of these men in order to result in a Democratic victory. He was positive the Democrats would have won the election regardless of the parole of these men. He stated that it was not necessary to exert any outside influence in giving the Democrats a majority in this ward as they have been the strongest party for at least the past twenty years. He also pointed out that the precinct captains and the ward committeemen could not sell their people on the Republican Party month after month and then sell them out to the Democratic Party during the last few days just before an election. To do so would weaken the party and the organization beyond repair. He claims that this rumor was vicious and he knew of no grounds for such rumors.

FLANDO wanted to call Agents attention to the fact that he had nothing to do with the parole of any of the subjects in this case nor had he ever been contacted in connection with this parole matter. He also wanted to point out that this rumor of terrorism resulted primarily from newspaper publicity rather than from the activities in the ward over which he controls, namely the 25th Ward.

Chicago File No. 58-194
DJM:IML

JOE FUSCO, 707 West Harrison Street, an executive of the Gold Seal Liquor Company, was interviewed by Special Agents DANIEL J. McCARTHY and PHILIP C. DUNNE on October 14, 1947, at which time he furnished the following information:

He advised that he has been acquainted with PAUL RICCA, one of the defendants, for many years, and that he also knows all of the remaining defendants. FUSCO stated that he did not post any money for bond for RICCA or any of the defendants, but that he did solicit funds from CHARLES LaMANTIA, PHILIP LaMANTIA, RUDOLPH SWANSON and FRANK ARRIGO, all of whom are connected with the LaMantia-Arrigo Company, which is engaged in the produce business. He stated that he was unable to tell the exact amount that each contributed because it was his recollection that they brought the money directly to the bonding company, but that he believes the total amount posted by all of the individuals that he solicited was $50,000.00. He stated that he did not put up any of his own cash as he was not in a position to do so at that time, but had he been able to, it would have been unnecessary to solicit these other people.

FUSCO advised that he did not receive any fee or commission for his services in this regard, and does not believe that any of the individuals whom he solicited to contribute received any reward. FUSCO denied any knowledge of any irregularity in the manner in which the defendants obtained their recent parole.

When asked if he had contributed or solicited any one to contribute any moneys to a fund for the settlement of the tax claims against any of these defendants, he replied, "I do not care to answer any questions regarding that matter at this time." He stated that he did not know when he would be in a position to answer these questions, but did make the remark that occasionally a man in his position is called upon to do things he does not want to do but cannot very well decline to do, and that he did not want any publicity in this matter because of his business connections.

Chicago File 58-194
ALM:amd

The following investigation was conducted by Special Agents ROBERT E. RIGHTMYER and ADRIAN L. MEYER October 14, 1947.

Reference is made to the report of Special Agent WAYNE S. MURPHY dated October 6, 1947 at Chicago, Illinois, Page 9, wherein it will be noted that the Republican Committeemen for the 20th, 25th, 26th, 27th and 28th Wards were listed.

WILLIAM JOHN GRANATA, Republican Committeeman for the 27th Ward, maintains an office at Room 705, 205 West Wacker Drive, at which place he conducts Commissioner's hearings for the Industrial Commission of the State of Illinois. On October 14, 1947, GRANATA was interviewed. At this time he stated that he was not acquainted with any of the parolees. He stated that all he knew about them is what he had read in the newspapers. He indicated that he knew nothing of the manner in which the parolees had secured their paroles and had not been contacted at any time to use his influence in assisting any of the parolees. He stated that it is true that he is the Republican Committeeman for the 27th Ward but that as such he would not be in a position to be of any material assistance to any of the parolees in a federal matter. He states he is an attorney and has not handled over a dozen cases in his entire career in the Federal Courts. As a result he is not too well acquainted with any of the Federal officials or the Federal Courts. He stated it is for this reason that probably no one contacted him to use his influence as they knew that he was in no position to be of any assistance. He emphatically disclaims using his influence to assist parolees in any manner or for any purpose.

GRANATA stated that he rather resented being interviewed in view of the fact that there were a number of malicious rumors circulating with respect to the manner in which the 1946 election was handled. He stated quite emphatically that such rumors unquestionably resulted from the "Chicago Tribune" publicity as well as from the imagination of their reporter JAMES DOHERTY. In this connection he mentioned that on election day JAMES DOHERTY came out to the 27th Ward in a two-way radio car and appeared to be quite excited. GRANATA stated that DOHERTY asked him to get into the car with him and whomever accompanied him and GRANATA refused to do so. DOHERTY then told him that it had been rumored that they were going to do away with GRANATA or possibly only kidnap him. GRANATA indicated that he could take care of himself and suggested to DOHERTY that he might accompany him, GRANATA, around the ward. GRANATA appeared to be proud of his organization and wanted to show DOHERTY how his organization handled an election. DOHERTY refused to join GRANATA and stated that he had to go to other wards where there was possible violence. GRANATA seemed to be quite incensed at DOHERTY's actions and the apparent

publicity that was received at this time and felt that the "Tribune" was merely trying to support malicious rumors which had started through previous publicity. As a matter of fact, GRANATA stated on one occasion he was asked to give a "Chicago Tribune" reporter a story to support previous publicity, which he refused to do. He would not elaborate on what the story was.

GRANATA pointed out to Agents that he wanted it understood that no terrorism existed in his particular ward or any other ward to his knowledge. He stated that there are the usual fights that occur at any election but that to his knowledge there was no blood shed. He also pointed out the fact that there are sixty-seven precincts in his particular ward and only six of these precincts are Italian precincts. As a result there is very little difficulty experienced. In this connection he pointed out to Agents that if the ward was predominantly Italian that he would have more headaches than he presently experiences.

He stated that the rumor that the Republicans had "sold out" to the Democrats was utterly ridiculous. He maintains that had the Republicans received twice as many votes as they did receive they would have still lost the election by at least 10,000 votes for every ward in that area. He states that these wards are predominantly Democratic wards and there is no necessity for any political vice, such as securing the paroles of such men as in this case, to carry these wards for the Democratic Party. He states that whether these men were released or not the Democrats would have still carried a sizable majority vote in these wards and at no time was it ever necessary to solicit help from the Republicans to carry that ward Democratic. GRANATA wanted to emphasize to Agents that he knew nothing about the parolees nor the manner in which they secured their paroles nor did he know of any alleged "pay-off" in this matter. He stated he did know one fact and that is that as far as he was concerned the parole of these men did not effect the election returns in his ward.

Chicago File No. 58-194
JCW/JEH:lml

On October 14, 1947, Mr. SAM GARAFOLA, 1232 Vine Street, Chicago, Illinois, was interviewed by Special Agents JOE C. WHEELER and JOHN E. HOWARD in an attempt to ascertain the present whereabouts of THOMAS O'NELIA, who requested Mr. GARAFOLA to put up $5,000.00 to be used as bond money for subject parolees.

Mr. GARAFOLA advised that O'NELIA has been deceased for the past two or three years. He further advised that he had been in error when, on previous interview, he told Agents that at the time he put up this bond money, Mr. O'NELIA was the President of the Italo-American Union. He stated now that Mr. O'NELIA was never president of this organization to his recollection, but was a very prominent and active member therein. He believes that at the time he put up this money, Mr. LAWRENCE MARINO was actually the president of the Italo-American Union. He stated that he is fairly well acquainted with Mr. MARINO.

Chicago File 58-194
JBG:EOD

The following interview was conducted by Special Agents JAMES B. GRANT and PAUL B. FRANKFURT on October 14, 1947:

RICHARD MC CARTHY, 2805 East 77th Place, Chicago, Illinois, advised that he contributed $2000 cash from personal funds to the bond of RALPH PIERCE sometime in 1943, exact date unknown. MC CARTHY, who was the owner and operator of the Franklin-McCarthy Company, 2121 South Wabash, advised that RALPH PIERCE called him on the telephone at his place of business and asked him to put up the $2000 bond. He said PIERCE told him he was in trouble but did not go into detail. On the basis of personal friendship and business with PIERCE, MC CARTHY said he took $2000 in cash and brought it to the law office of JOSEPH BULGER, where he obtained a receipt for the money. MC CARTHY stated he had known PIERCE since 1934 and PIERCE was a good customer of his.

MC CARTHY further indicated that he was acquainted with CHARLES GIOE by reason of his patronage of his gasoline station.

MC CARTHY advised that the money was returned to him about four or five months later and that he received it in a lawyer's office, name and address unknown. The money was repaid to him in cash, and at that time the receipt was taken up. He said he received no profit or commission for putting up this money but that it was just a gesture of his friendship for PIERCE.

According to MC CARTHY, the only subjects he knew were GIOE and PIERCE and no threats or pressure was made upon him to put up the bond. He further stated that he knew of no irregularities in connection with this matter or any tax matters and that he had not been approached since the above incident for any loans whatsoever.

Chicago File 58-194
ALM:EOD

JAMES PACELLI, 1264 West Lexington, telephone Canal 4667, Chicago, Illinois, was interviewed by Special Agent ADRIAN L. MEYER in the Chicago Office on October 15, 1947. He advised that he was distributor for the U. S. Brewing Company and has been in business for himself for the past 15 years. He stated his place of business is 1216 South Sangamon Street, telephone Monroe 1191, Chicago, Illinois. He said his father formerly was Deputy U. S. Marshal. His father's name is ONOFRIO PACELLI.

JAMES PACELLI claimed that he is new in politics and received his appointment as Republican Ward Committeeman of the 20th Ward in the election of April, 1944. He stated that this job is good for four years. So far, he claims, he has had quite a problem in organizing the Republican Party into a smooth-running organization. He realized that during the past election, that is, the election of November, 1946, the Republican vote decreased over previous elections. He stated that this could be attributed to two facts: first, the Republicans selected a poor opponent when they selected "ROOT" to run against the present Mayor, KENNELLEY; second, he has been in office too short a time to get the organization running smoothly and, as a result, the Democrats made considerable advance over previous elections. In addition, he said, the Democrats were able to give out 500 jobs against the 35 jobs available for the Republican Party. He stated that he is devoting his efforts to bettering the position of his people in the 20th Ward.

PACELLI stated he had also heard rumors to the effect that the Republican Committeemen have sold out to the Democrats, which he stated was absurd. He said the Democrats did not need the Republican vote to win an election. So far as he knew, none of the Republican Committeemen in the Italian Wards had sold out to the Democratic Party and he was of the opinion that they never would. He voiced the opinion that if the Republicans had selected a prominent man like WRIGLEY or someone of his caliber, that they could have beaten the Democrats in the past election but the man selected did not compare with the caliber of the present Mayor. He stated that he has been a Republican all of his life and, in spite of that, he has to admit the Republicans have fallen down somewhat in selecting the proper caliber of people to represent them. Nevertheless, he claims he is devoting every effort to better the position of his people in his ward, and he said it goes without saying that his ward has probably the greatest number of financially poor people in the City of Chicago. He stated that in the event the Republicans were able to give out the same number of jobs the Democrats are able to give out that they would have no trouble whatsoever in getting a greater Republican vote in that ward.

Chicago File 58-194
ALM:EOD

PACELLI claims that the November, 1946, election was an unusually quiet election and that no terrorism existed in his ward or any of the Italian wards, to his knowledge. He was inclined to hold the newspapers in contempt in that they invariably gave considerable attention to a street brawl and made it appear as though considerable trouble existed throughout the area. He stated that fights are common but there was no bloodshed or gun battles, to his knowledge, and, if there were, he claims they would have come to his attention.

PACELLI was asked if in his opinion the release of the subjects in instant case would have in any way affected the election. He scoffed at the thought that the parole of these men would in any way affect the election in his ward or any of the Italian wards. He is satisfied in his own mind that the decrease in the Republican vote had nothing to do with the paroles of the subjects in this case and it was conversely true that the parole of these men did in no way increase the Democrat vote. He stated it is well known in the City of Chicago that the Italian wards are predominantly Democratic and, until the situation changes and they are able to offer the people in his ward more jobs, the Democrats will continue to be in the majority.

PACELLI endeavored to explain how the present election system of permanent registration has eliminated the so-called "flying squad" and that the voters are generally known by the officials at the polling place. Therefore, it eliminates the possibility of voting a lot of people from other precincts or wards.

PACELLI denied ever participating in this parole matter and claims he has never been approached to use his influence to effect the parole of any of the subjects in instant case. He claims he is not acquainted with the parolees or their families, which may in part account for the fact that he was not approached to assist any of these men. He claims that all he knows about the parole matter is what he has read in the newspaper. He states that as far as he is concerned, no one has even mentioned to him anything relative to an alleged "payoff" and again stated that if he had any knowledge relative to a payoff, it was what he had read in the newspaper. He claims that he is not too well known because of his short time in politics and for that reason the so-called hoodlum element will not discuss such matters with him.

Chicago File #58-194
JFG:mel

On October 14, 1947 SAS KENNETH L. HECHT and JOHN F. GLENVILLE interviewed PASQUALE PERRY, Brother of ANTHONY PERRY, at the City Beverage Company, Kankakee, Illinois.

He advised that he loaned his brother, ANTHONY, $2000 in March of 1943. He stated his brother informed him the purpose of the loan was to post on a bond. PASQUALE PERRY denies that he had knowledge that his brother had posted $10,000 bond on behalf of PHILIP D'ANDREA, and denies being acquainted with the case except what he read in newspapers. PASQUALE PERRY stated that he was not acquainted with PHILIP D'ANDREA or other subjects in instant case. Denies having any knowledge of contributions toward tax settlement case of CAPONE, et al. He denies further that any pressure was exerted on him when he loaned his brother the $2000, and the reason he advanced the loan was because his brother requested it.

PASQUALE PERRY has one-half interest in City Beverage Company, wholesale beer distributors of Pabst Blue Ribbon Beer, in Chicago Heights, Illinois and Kankakee, Illinois.

- PENDING -

Chicago File 58-194
RER:EBD

UNDEVELOPEDLEADS

THE CHICAGO OFFICE

* At CHICAGO, ILLINOIS, will consider the advisability of reinterviewing JOSEPH I. BULGER, 134 North Clark Street, after the interview with ANTHONY ACCARDO, concerning the use of his name by ACCARDO, and for any information in connection with instant paroles.

*Will, after the completion of the interviews with the individuals posting cash collateral for bonds for the Subjects, interview JOSEPH BULGER concerning his connection with the bond matter.

* Will interview the following individuals who contributed cash collateral toward the bonds of the Subjects of this case in 1943 and 1944:

LOUIS B. COHEN, Seneca Hotel, Chicago - $10,000
Mrs. ELSIE PLEIG, 4300 Marine Drive, Chicago - $10,000

* Will interview SAM RINELLA, 775 South Chappel Avenue, with reference to his posting $5,000 cash bond through GEORGE CHERONES, 105 North Clark Street, for RALPH PIERCE.

* Will interview GEORGE F. CALLAGHAN, Attorney, Bankers Building. CALLAGHAN Represented all of the Subjects in the bond matter.

* Will, at the Northern Trust Company, Chicago, examine the bank account of the Italo-American National Union.

* Will interview HARRY RUSSELL and DAVE RUSSELL, who may be residing at 641 West Madison Street, Chicago, concerning their contribution of $8,000.00 toward the posting of a bond for RALPH PIERCE, Transaction handled by DAVID V. PEILET.

Will recontact Attorney EDWARD S. CODY, 130 North Wells Street, Room 1800, telephone State 0968, to ascertain if possible the identity of the client on whose behalf CODY contributed $10,000 to apply on the Subject's bale bond.

Will consider the advisability of reinterviewing JOSEPH FUSCO, Gold Seal Liquors, Inc., 707 West Harrison Street, concerning his refusal to discuss the tax settlement matter at the time of the original interview.

Will interview DOMONICK CARUSO, 772 West DeKoven, concerning the identity of the individual who asked him to have his sisters, LUCY and DE HILA, put up $10,000 bond money under the name of LUCY CARUSO.

Chicago File 58-194
RER:EBD

Will interview CAROLINE SPRINGOLA, 5529 West Van Buren, Chicago, concerning her contributing $20,000 cash collateral towards the bond of the Subjects of this case in 1943 or 1944

At Oak Park, Illinois:

* Will at the Oak Park National Bank, Oak Park, Illinois, examine the bank account of JOSEPH I. BULGER, President of the Italo-American National Union.

At River Forest, Illinois:

* Will interview ANTHONY ACCARDO, 1334 North Ashland Avenue, in regard to his using the name of JOSEPH I. BULGER while visiting DeLUCIA and CAMPAGNA while they were incarcerated in Leavenworth.

* Will also interview ACCARDO for any knowledge he may have in connection with the securing of the paroles of these Subjects.

- PENDING -

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: ASST. DIRECTOR A. ROSEN

DATE: October 15, 1947

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was, etal
BRIBERY

There are attached for the information of the Bureau clippings from the Chicago Tribune and the Chicago Daily News under date of October 14, 1947 with regard to the captioned matter.

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51DEC 18 1947

DEN ARK TELL STAND ON GANG PAROLES

Asked to Admit or Deny Responsibility

BY JAMES DOHERTY

Atty. Gen. Tom C. Clark was asked yesterday by Rep. Fred E. Busbey [R., Ill.] to admit or deny personal responsibility for dismissing a set of indictments which enabled four Capone gangsters to walk out of federal prison. Busbey sponsored the congressional investigation of the paroles given the gangsters upon the application of Atty. Paul Dillon of St. Louis, Mo., pal of President Truman.

Busbey sent a telegram to the attorney general saying he and his fellow congressmen were entitled to the facts in the dismissal of the indictments which charged Paul Ricca, Louis Campagna, Phil D'Andrea and Charles Gioe with robbing members of the International Alliance of Theater and Stage Employes of more than $1,000,000.

Removes Bar to Parole

The indictment was dismissed last May to remove an obstacle to parole for the Chicago public enemies who had been sentenced to 10 years imprisonment for another $1,000,000 fraud, Busbey charged.

"Did you give your personal approval to the dismissal of the indictment, and if so, why?" Busbey asked Clark, who as head of the department of justice, appointed all three present members of the United States parole board and to whom J. Edgar Hoover, head of the federal bureau of investigation, reports.

Clark had disowned the parole board early in the investigation of the paroles granted last Aug. 13 to Ricca, Campagna, Gioe, and D'Andrea, saying it was an autonomous body which functioned without consulting him. Subsequently he denied the right of the congressional committee, headed by Rep. Clare Hoffman [R., Mich.] and of which Busbey is a member, to information on pardons granted by President Truman and by the late President Roosevelt.

Clark's Approval I

"It is now appare
paroles would not ha
ible if the indictment pending in New York remained on the docket," Busbey said. "That indictment, under normal procedure, could have been dismissed only with permission of Atty. Gen. Clark.

"That's why I sent Clark a telegram giving him a chance to explain why and how he made it possible for the Chicagoans to get out of Leavenworth penitentiary. He'll have an opportunity to testify under oath, as he will be subpenaed before the congressional committee, but I think he owes the public an answer right now."

The indictment against the Chicago gangsters was voted in March, 1943. The substance of it was that the Capone mob, having obtained control of the union, levied an assessment against the 46,000 union members. Each holder of a card in that union was required to pay 2 per cent of his salary for an "organization drive."

Charge Gang Took Levy

The government produced evidence before a New York City federal grand jury that Ricca and his associates split the 2 per cent among themselves. The federal violation came thru their sending checks thru the mail.

In New York yesterday it was said that Matt Correa and Boris Kostelanetz, who as United States district attorney and special assistant, prosecuted the Chicago gangsters on the other indictment — extortion from motion picture producers — knew nothing about the dismissal of the mail fraud indictment, which they also obtained.

At the New York federal building it was explained that Raymond P. Whearty, an assistant United States attorney general, went before a judge who was not familiar with the facts and obtained the dismissal of the indictment.

Claimed O. K. by Clark

The judge, Vincent Liebell, was said to have asked Whearty if the case had been properly investigated in regard to dismissal, and Whearty was said to have replied that it had the approval and recommendation of the United States attorney general in Washington.

The judge was not told that the charge involved the taking of $1,000,000 from the union members, according to explanations yesterday. Whearty was reported to have said "it is an allied indictment to the one on which they were convicted" and the court was not told he was being asked to sign an order which would permit the gangsters to return to Chicago as free men.

ALL INFORMATION CONTAINED
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CHICAGO DAILY TRIBUNE
Oct 14 1947

Clark Asked To Explain 'Hood' Case

Representative Busbey (Rep., Ill.) said today that he had been informed that Attorney General Clark authorized the dismissal of an indictment against four Capone mobsters, which in turn led to their parole from prison.

The indictment, charging a million-dollar mail fraud, was killed in New York last May "under mysterious circumstances," Busbey said.

"They could not have been paroled with the indictment pending against them," he added.

* * *

"IT WAS MY information that Tom Clark authorized this. It was permitted with his okay and sanction, but I want a denial or affirmation of it from him."

Busbey said he sent a telegram to Clark last night asking for such an admission or denial.

"If [the dismissal] was not personally authorized by you, were you advised that it was being done?" Busbey said he wired. "Also would you please advise the reason stated for their dismissal?"

Busbey said he expected an answer from Clark today.

* * *

BUSBEY, member of a congressional committee that is probing the hoodlums' release, said the charges were dismissed before a New York judge who was not familiar with the case.

Busbey said that the judge, Vincent Liebell, asked the assistant U.S. attorney general in the case whether the charge had been investigated properly, and that he was told the dismissal was approved by Clark.

The hoodlums were charged with getting $1,000,000 fraudulently from members of the International Alliance of Theater and Stage Employees.

Dismissal of the charge cleared the way for the parolees. Each of the mobsters—Paul Ricca, Louis Campagna, Charles Gioe, and Phil D'Andrea—served three years of 10-year sentences for a million dollar shakedown of movie producers.

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CHICAGO DAILY NEWS
Oct 14, 1947

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BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

DEC 1

TELEMETER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/85 BY SP5 alm

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. M
Mr. Pe
Mr.
Miss

WASHINGTON AND WASHINGTON FIELD 8 FROM CHICAGO 15 6-21PM CSH

CONF TO DIRECTOR AND SAC WASHINGTON FIELD URGENT

ATTENTION ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS., ET AL. BRIBERY, PAROLE MATTER. GEORGE E. CALLAGHAN, ATTORNEY, CHICAGO, INTERVIEWED THIS DATE IN RE HIS CONNECTION WITH THE OBTAINING OF BAIL BONDS BY SUBJECTS IN NINETEEN FORTY THREE. CALLAGHAN REFUSED TO ANSWER QUESTIONS AND WOULD NOT DISCUSS BAIL BONDS, AND THROUGHOUT INTERVIEW, WAS ANTAGONISTIC AND UNCOOPERATIVE. MRS. ELSIE KRUSE, FORMERLY ELSIE FLEIG, STATES SHE, TOGETHER WITH HER MOTHERINLAW, MRS. ANNA KRUSE, JOINTLY CONTRIBUTED TEN THOUSAND DOLLARS TOWARD BOND OF SUBJECT PIERCE ON AN UNKNOWN DATE SOMETIME IN MARCH OR APRIL NINETEEN FORTYTHREE. MRS. ELSIE KRUSE STATES SHE CONTRIBUTED THREE THOUSAND DOLLARS AND MRS. ANNA KRUSE CONTRIBUTED SEVEN THOUSAND DOLLARS TOWARD TEN THOUSAND DOLLAR BOND AND MONEY WAS TURNED OVER TO INSURANCE COMPANY IN CHICAGO, ILLINOIS, NAME UNKNOWN, IN CHECK DRAWN ON AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO. MRS. ELSIE KRUSE STATES BOTH SHE AND HER MOTHERINLAW HAVE BEEN PERSONALLY ACQUAINTED WITH MR. AND MRS. RALPH PIERCE FOR SEVERAL YEARS AND SHE AND HER MOTHERINLAW VOLUNTEERED TO GO BOND FOR SUBJECT PIERCE. MRS. ELSIE KRUSE ADVISES SHE DOES NOT RECALL WHETHER OR NOT SHE RECEIVED RECEIPT FOR MONEY AND DOES NOT RECALL EXACT CONVERSATION BETWEEN HERSELF AND MRS. PIERCE REGARDING PROPOSED BOND FOR RALPH PIERCE. MRS. ELSIE KRUSE ADVISES SHE HAS BEEN REFUNDED HER THREE THOUSAND DOLLARS AND SHE GOT THE MONEY APPROXIMTELY EIGHT WEEKS AGO FROM THE INSURANCE COMPANY IN

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TWO COPIES

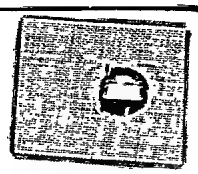
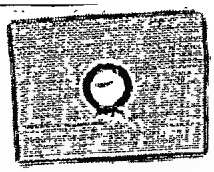
A CHECK. SHE CANNOT ACCOUNT FOR THE LAPSE OF TIME BETWEEN TIME OF PIERCES DISCHARGE UNTIL RETURN OF THIS MONEY. SHE STATES SHE DID NOT RECEIVE ANY PROFIT, FEE OR COMMISSION FOR FURNISHING BOND BUT DID IT ONLY AS PERSONAL FAVOR FOR MRS. RALPH PIERCE. MRS. ELSIE KRUSE DENIES KNOWING ATTORNEY EUGENE BERNSTEIN AND DENIES FURNISHING ANY MONEY TO ATTORNEY BERNSTEIN OR ANYONE ELSE TO ASSIST IN SETTLEMENT OF INCOME TAX CASES FOR SUBJECTS IN THIS CASE. SHE DENIES ANY KNOWLEDGE OF ANY IRREGULARITY IN MANNER IN WHICH SUBJECTS OBTAINED THEIR RECENT PAROLE. MRS. ELSIE KRUSE DENIES CONTRIBUTING IN ANY MANNER, SHAPE OR FORM TO ANY FUND FOR BENEFIT OF SUBJECTS IN THIS CASE AND DENIES KNOWING ANY OF OTHER SUBJECTS IN THIS CASE WITH EXCEPTION OF RALPH PIERCE. JUDGE RUDOLPH DE SORT, SUPERIOR COURT OF COOK COUNTY, STATED HE DID NOT REMEMBER SIGNING THE FORM QUOTE STATEMENT OF PAROLE ADVISOR UNQUOTE, THAT HE SIGNS MANY PAPERS A DAY AND SEES APPROXIMATELY FIFTY ATTORNEYS A DAY. HE STATED HE KNEW HARRY ASH BUT CANNOT RECALL HIM BRINGING IN THIS FORM FOR HIM TO SIGN. HE ADDED THAT HE MAY VERY WELL HAVE SIGNED THE FORM AND NOT RECALL IT. CAROLINE SPINGOLA, EIGHTY YEARS OF AGE, HAD STROKE LAST WEEK AND SPEAKS NO ENGLISH. THROUGH HER SON IN LAW, DR. JOHN J. DRAMMIS, ADVISED SHE REMEMBERS NOTHING CONCERNING POSTING OF BOND FOR SUBJECT PAROLEES AND THAT HER SON, SALVATORE SPINGOLA, WOULD BE ABLE TO FURNISH ANY DESIRED INFORMATION. SALVATORE SPINGOLA STATES HIS FAMILY AND FAMILY OF DE LUCIA HAVE BEEN FRIENDY FOR MANY YEARS RESIDING IN SAME NEIGHBORHOOD. WHEN DE LUCIA WAS ARRESTED WITH OTHER PAROLEES IN FORTYTHREE HIS BROTHER IN LAW , CHARLES SPIZZIRRI, NOW DECEASED, TOOK UP A COLLECTION OF

END OF PAGE TWO

TWENTY THOUSAND DOLLARS TO BE USED AS BOND MONEY FOR SUBJECTS. SALVATORE SPINGOLA INDUCTED INTO ARMY Day MONEY WAS TO BE PUT UP FOR BOND SO HE HAD HIS MOTHER TAKE THE MONEY DOWN. SHE PUT IT ALL UP IN HER NAME AS PART OF IT WAS HERS AND SHE WANTED TO PROTECT HERSELF. SALVATORE DOES NOT KNOW WHERE MONEY WAS TAKEN AND IS NOT ACQUAINTED WITH ATTORNEYS BULGER AND BERNSTEIN. HAS NEVER PUT UP ANY OTHER MONEY FOR ANY PURPOSE INVOLVING SUBJECT PAROLEES OTHER THAN ON THIS OCCASION. JACK O-KEEFE STATES HE KNOWS CAMPAGNA AND THAT HE ONLY KNOWS OF OTHER PAROLEES. HE DID NOT PUT UP ANY MONEY FOR BOND, PAROLE OR TAX PENALTIES OF PAROLEES AND WAS NOT CONTACTED FOR THIS PURPOSE. HE KNOWS NOTHING CONCERNING ANY MONEY BEING ADVANCED BY ANYONE FOR USE AS BRIBE. HAS HEARD NO TALK OTHER THAN TROUGH NEWSPAPER ACOUNTS CONCERNING PROCURING OF PAROLES. HE IS ACQUAINTED WITH WILLIE HEENEY AND HAS VISITED WITH HIM AT LAKE GENEVA, WISCONSIN, WHERE BOTH HAD SUMMER HOMES. HAS DISCUSSED PAROLES AS MATTER OF INTEREST WITH HEENEY BUT HAS NEVER HEARD HEENEY STATE HE HAD ANY INTERESTS OR PART IN PROCURING PAROLES OF SUBJECTS. DOMINIC CARUSO STATES HE REQUESTED HIS SISTERS, LUCY AND DEHLIA CARUSO, TO PUT UP TEN THOUSAND DOLLARS TO BE USED AS BAIL MONEY FOR LOUIS CAMPAGNA AND PAUL RICCA. HE DID THIS AT THE DIRECT REQUEST OF THESE SUBJECTS WHO HAD PREVIOUSLY LOANED HIM MONEY AND TO WHOM HE FELT INDEBTED. HE CAN FURNISH NO OTHER INFORMATION CONCERNING INSTANT MATTER, AND HAS NEVER AT ANY OTHER TIME LOANED THESE INDIVIDUALS ANY MONEY OR PUT ANY MONEY TO BE USED IN PAYMENT OF GOVERNMENT INCOME TAX OR IN THE PROCUREMENT OF SUBJECTS PAROLES. WILLIAM GRAVES, AUDITOR NORTHERN

TRUST COMPANY, CHICAGO, ILLINOIS, ADVISED THAT ITALO DASH AMERICAN NATIONAL UNION MAINTAINED TWO CHECKING ACCOUNTS AT INSTANT BANK. GRAVES PRODUCED THE LEDGER CARDS OF BOTH ACCOUNTS WHICH ARE 72870 LISTED UNDER THE FOLLOWING HEADINGS, MORTUARY AND GENERAL FUND, THIRTY WEST WASHINGTON STREET, CHICAGO, AND LODGE ETNA NUMBER ONE CARE CHARLES BARSELLINO, TREASURER, THREE EIGHT FOUR FIVE WEST GLADYS AVENUE, CHICAGO. SIGNATURE CARDS REFLECT V. E. FERRARA, TREASURER, AND JOSEPH I. BULGER, PRESIDENT. EXAMINATION OF LODGE ETNA NUMBER ONE ACCOUNT FOR THE PERIOD DECEMBER NINETEEN FORTHTHREE TO SEPTEMBER NINETEEN FORTY SEVEN REFLECTS MAXIMUM BLANCE DOES NOT EXCEED FOURTEEN HUNDRED DOLLARS. ACCOUNT INACTIVE AND ALL CHECKS DRAWN IN LOWER THREE FIGURES. EXAMINATION OF MORTUARY AND GENERAL FUND ACCOUNT FOR PERIOD FROM DECEMBER NINETEEN FORTYTHREE TO SEPTEMBER NINETEEN FORTYSEVEN REFLECTS BALANCE AVERAGING BETWEEN FORTY THOUSAND DOLLARS AND NINETY THOUSAND DOLLARS. DEPOSITS AVERAGE BETWEEN ONE THOUSAND AND TWO THOUSAND DOLLARS WITH A FREQUENCY OF EIGHT TO TEN DEPOSITS PER MONTH. ACCOUNT NOT ACTIVE AND MAJORITY OF CHECKS DRAWN IN TWO AND THREE FIGURES. OCCASIONAL CHECKS RANGING FROM TWENTY SEVEN THOUSAND TO ONE THOUSAND IN ODD AMOUNTS NOTED. IN THIS RESPECT CHECK FOR TWENTY THOUSAND SEVEN HUNDRED NINETY ONE DOLLARS AND SIXTY SEVEN CENTS IN CURRENT MONTH WORK EXAMINED AND FOUND TO HAVE BEEN PAYABLE TO LOCAL BROKER FOR PURCHASE OF BONDS. SIMILAR AMOUNTS BELIEVED TO BE INVESTMENTS MADE BY THE COMPANY. NO RECORDAK PICTURES OF CHECKS AVAILABLE AT NORTHERN TRUST COMPANY THEREFORE CHECKS CANNOT BE EXAMINED AND PAYEE DETERMINED. THEREFORE NO EFFORTS MADE TO CHECK PAYEES OF INSTANT CHECKS AT THE PRESENT TIME THROUGH CLEARING RECORDS. DURING COURSE OF EXAMINATION LEDGER CARD HEADED ITALIAN WELFARE COUNCIL, FORMER ADDRESS THIRTY WEST WASHINGTON STREET, CHICAGO, ADDRESS CHANGED IN CARE OF VINCENT P. RUSSO, TREASURER, SIXTY SEVEN SOUTH WATERMARKET, CHICAGO, ILLINOIS, NOTED IN FILE AND QUESTIONED.

100-2000-237

SIGNATURE CARD ON ITALIAN WELFARE COUNCIL REFLECTED NAMES OF V. E. FERRARA, SECRETARY, VINCENT P. RUSSO, TREASURER, AND JOSEPH R. SALERNO, PRESIDENT TOGETHER WITH SAME ADDRESS OF ITALO DASH AMERICAN NATIONAL UNION. EXAMINATION OF THIS ACCOUNT IN DECEMBER NINETEEN FORTY THREE TO SEPTEMBER NINETEEN FORTYSEVEN REFLECTED VERY LITTLE ACTIVITY WITH AN AVERAGE BALANCE OF APPROXIMATELY SIXTY FIVE THOUSAND DOLLARS. ALL CHECKS DRAWN IN SAMLL AMOUNTS OF TWO AND THREE FIGURES WITH THE EXCEPTION OF ONE SIXTY THOUSAND DOLLAR CHECK CHARGED TO THE ACCOUNT FEBRUARY TWENTYFOUR, NINETEEN FORTY SEVEN WHICH REDUCED THE THEN EXISTING BALANCE OF SEVENTY EIGHT THOUSAND ONE HUNDRED NINETYFOUR DOLLARS AND SEVEN CENTS TO EIGHTEEN THOUSAND DOLLARS ONE HUNDRED NINETY FOUR DOLLARS AND SEVEN CENTS. IT WAS FURTHER NOTED THAT THE BALANCE OF THE ACCOUNT AS OF SEPTEMBER SIXTEEN, NINETEEN FORTYSEVEN WAS BUILT UP TO SIXTY FOUR THOUSAND TWENTYNINE DOLLARS AND SIXTY EIGHT CENTS WITH DEPOSITS RANGING FROM FOUR TO EIGHT THOUSAND DOLLARS. DUE TO THESE CIRCUMSTANCES THE SIXTY THOUSAND DOLLAR CHECK HAS BEEN TRACED TO DATE TO THE COSMOPOLITAN NATIONAL BANK OF CHICAGO, EIGHT NAUGHT ONE CLARK STREET, CHICAGO AND INVESTIGATION IS BEING CONDUCTED TO DETERMINE THE PAYEE OF THE INSTANT CHECK.

MC SWAIN

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cc: Mr. McCabe

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 16 1947

TELEMETER

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

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DATE 2/12/93 BY SP5CA/CW

WASHINGTON AND SAC WASHINGTON FIELD 8 FROM CHICAGO 16 12-44PM A

DIRECTOR FBI AND SAC WASHINGTON FIELD

ATTENTION, ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS., ET AL, BRIBERY, PAROLE MATTERS. REMYTEL OCTOBER FIFTEEN INSTANT CONCERNING EXAMINATION BANK ACCOUNTS OF ITALO AMERICAN NATIONAL UNION AND ITALIAN WELFARE COUNCIL. SIXTY THOUSAND DOLLAR CHECK DRAWN ON ITALIAN WELFARE COUNCIL ACCOUNT, NORTHERN TRUST COMPANY, CHICAGO, TRACED TO COSMOPOLITAN NATIONAL BANK OF CHICAGO, AND FOUND TO HAVE BEEN OPENING DEPOSIT TO NEW ACCOUNT OF ITALIAN WELFARE COUNCIL. EXAMINATION OF THIS ACCOUNT TO DATE REFLECTS SMALL CHECKS DRAWN IN LOWER TWO AND THREE FIGURES, REMAINING BALANCE APPROXIMATELY FORTY THREE THOUSAND DOLLARS. OFFICIALS OF COSMOPOLITAN NATIONAL BANK, CHICAGO, ADVISE ACCOUNT IS ITALIAN WELFARE ACCOUNT, AND NOT CONSIDERED VERY ACTIVE. NO UNUSUAL TRANSACTIONS NOTED.

MC SWAIN

END

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INDEXED 58-2000-238

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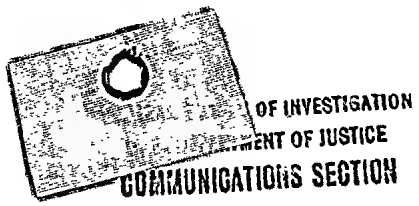

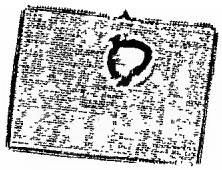

OCT 16 1947

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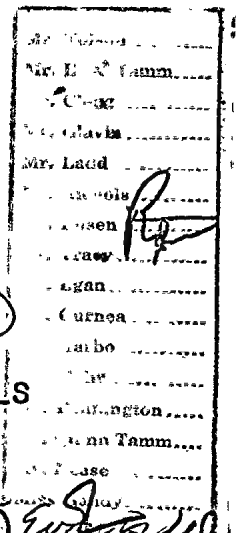

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WASH 12 FROM CGO 16 7-01 PM RLS

DIRECTOR AND SAC WASH FIELD "U R G E N T"

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTERS. HARRY A. ASH INTERVIEWED CHICAGO OFFICE THIS DATE AT HIS REQUEST. HE STATED THAT IN CONNECTION WITH BISHOP SHIEL-S NAME ENTERING THIS CASE, SIDNEY KORSHAK FIRST MENTIONED THE BISHOP-S NAME TO HIM. HE STATED THAT HE WROTE A LETTER TO THE PAROLE BOARD AT KORSHAK-S REQUEST MAINLY BECAUSE OF THE FACT THAT THE BISHOP-S NAME WAS USED IN CONNECTION WITH GIOE-S PAROLE. ASH FURTHER STATED THAT KORSHAK REQUESTED OF HIM THREE ORIGINAL COPIES OF A LETTER TO THE PAROLE BOARD, THE PURPOSE OF THE THREE COPIES BEING UNKNOWN TO ASH. ASH DENIED THE FACT THAT HE SUGGESTED LOUIS PELTON-S NAME AS SUBSTITUTE PAROLE ADVISER. HE STATES THAT HE RESIGNED HIS POSITION AS SUPERINTENDENT OF CRIME PREVENTION, STATE OF ILLINOIS, AND THAT HE WAS NOT ASKED TO RESIGN BY ANYONE. ASH SAID THAT HIS BROTHER, DAVID ASH, FORMERLY DISTRIBUTED PUNCH BOARDS AND PINBALL MACHINES IN ILLINOIS BUT AT THE TIME THAT MAYOR KELLY OUTLAWED SUCH ITEMS HE THEN WENT TO MINNESOTA. FOR APPROXIMATELY FIVE YEARS, DAVID ASH HAS BEEN OUT OF THE PUNCH BOARD BUSINESS AND IS OPERATING A NOVELTY COMPANY IN CHICAGO. ASH SAID THAT KORSHAK TOOK THE FORM KNOWN AS QUOTE STATE OF PAROLE ADVISER UNQUOTE TO JUDGE DESORT SO THAT DESORT COULD SIGN AS AN OFFICER OF A SUPERIOR COURT. ASH AGAIN DENIED A MEETING WITH GOVERNOR GREEN, MAXWELL AND DEMPSEY AT BERRIEN SPRINGS, MICHIGAN.

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

FILE NO. 58-194

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
Chicago, Illinois	10/16/47	10/13-16/47	WAYNE S. MURPHY (A) WSM:rmb

TITLE	CHARACTER OF CASE
LOUIS CAMPAGNA, with aliases, ET AL	BRIBERY - PAROLE MATTERS

SYNOPSIS OF FACTS: Witnesses interviewed who contributed cash collateral on Subject's bond maintain these contributions were made because of friendship with Subjects or at request of mutual friends. None of witnesses interviewed received any interest or bonus on their cash advances. All deny contributing any additional funds on behalf of Subjects for any purpose. HARRY A. ASH interviewed Chicago Office 10/16/47 at his request. ASH still insists SIDNEY KORSHAK first mentioned Bishop SHEIL's name as backing Subject GIOE. Insists he wrote letter to Parole Board mainly because of fact Bishop's name was used in connection with GIOE's parole. ASH further stated KORSHAK requested of him three original copies of letter to Parole Board, purpose of three copies being unknown to ASH. Insists he resigned position as Superintendent of Crime Prevention voluntarily. ASH again denied meeting with Governor GREEN, MAXWELL and DEMPSEY at Berrien Springs, Michigan. Bank account of Italo-American National Union examined as well as that of JOSEPH I. BULGER. "WESTSIDE" JACK O'KEEFE advised he has no knowledge of any irregularities in connection with securing of paroles and has no information concerning money being raised to procure paroles of Subjects. Denies he ever heard WILLIE HEENEY or anyone else state that they "fixed" paroles. RUDOLPH DE SORT, Judge, Superior Court of Cook County, stated he did not remember signing the form "Statement of Parole Advisor" for HARRY ASH. GEORGE F. CALLAGHAN, attorney, refused to answer any questions in connection with investigation and exhibited antagonistic and uncooperative attitude.

NO STATISTICS

9/D/95 SP5A/cm

- P -

REFERENCE: Bureau letter to Washington Field dated 9/22/47;
Report of SA WAYNE S. MURPHY (A) dated at Chicago 10/15/47.

DETAILS: AT CHICAGO, ILLINOIS

APPROVED AND FORWARDED: SPECIAL AGENT IN CHARGE

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2 - Washington Field(AMSD) 58-291
4 - Chicago

cc to AG 10-25

7—2034

Chicago File 58-194
WSM:rmb

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Chicago File 58-194
DEW:FO

The following investigation was conducted by Special Agents KENNETH S. SMITH and DOUGLASS E. WENDEL:

On October 14, 1947, HARRY A. ASH telephonically contacted the Chicago Office and stated that he was back in Chicago after spending approximately one week in Los Angeles, California. ASH suggested that he call at the Chicago Office and a meeting was arranged on October 16, 1947.

During the interview with ASH at this time, ASH stated that he had resigned as superintendent of the Crime Prevention Department of the State of Illinois, October 7, 1947, and displayed a copy of the telegram which he had sent to Governor GREEN of Illinois. ASH stated that his resignation was not requested but that it was entirely voluntary.

ASH was asked about the alleged telephone call from a Mrs. DENNIS just prior to his leaving Chicago. ASH stated that this telephone call was generally as reported in his interview with Special Agents R. J. KELLOGG and FREDERICK E. RODERICK of the Los Angeles Office. He added that on Saturday, October 4, 1947, he and his wife, with friends, were at the "Latin Quarter," a night club in Chicago, and, while at the "Latin Quarter," an unknown woman approached him but did not identify herself. ASH stated that he does not know the reason for this telephone call except that it might be an effort to connect him with some immoral situation so that he may be further embarrassed by the Chicago Press.

In connection with the letter written to the Parole Board by ASH, stating generally that GIOE was capable of rehabilitation, ASH advised he had been asked by SIDNEY KORSHAK to prepare three originals of this letter and to give these originals to KORSHAK. ASH denied ever writing to GIOE while GIOE was incarcerated.

ASH was asked if he had suggested the name of LOUIS PELTON as a substitute parole adviser for Subject GIOE and ASH emphatically denied he had suggested PELTON's name to anyone. He stated he did not know how PELTON came into the picture. ASH stated that Judge RUDOLPH DESORT had signed the form "Statement of Parole Adviser" but that he had not taken the form personally to Judge DESORT. ASH stated that this form had been taken to the Judge by KORSHAK.

ASH stated that his brother DAVID ASH, 2916 Lunt Avenue, owner of the Gold Seal Novelty Company, Madison & Halsted Streets, Chicago, was formerly in the business of distributing punch boards and pinball machines. ASH stated that DAVID distributed these items in Chicago prior to the time that Mayor KELLY clamped down on the use of punch boards and pinball machines. After this closing by Mayor KELLY of the use of these items, DAVID moved his

operations to Minnesota. Approximately five years ago, according to ASH, his brother DAVID got out of this business and is now assembling novelties in the form of hope chests filled with candy. ASH denies that his brother is presently connected with any gambling of any kind.

ASH again denied the fact that a meeting was held at Berrien Springs, Michigan, during which meeting it was alleged that Governor GREEN instructed ASH to act as GIOE's parole adviser. ASH stated that he had never heard of the town, Berrien Springs, until the recent congressional hearings and had never been advised by Governor GREEN to act as GIOE's parole adviser.

According to ASH, Bishop SHIEL's name was first mentioned to him by KORSHAK and he stated that it was because of the fact that KORSHAK mentioned the Bishop's name that he wrote a letter to the Parole Board. He denied the fact that DOHERTY, Tribune reporter, mentioned the Bishop's name to him first and reiterated that KORSHAK was the individual bringing up this name.

Chicago File 58-194
KSS:lab

Special Agent PAUL B. FRANKFURT contacted ARTHUR G. SMITH, Special Deputy, State of Illinois, Department Insurance, Room 240, 141 West Jackson Boulevard, October 10, 1947, with regard to background information of the Italo-American National Union. SMITH produced annual report for the period ending December 31, 1946, which revealed this company does banking business with the Northern Trust Company, Chicago, Illinois, and the Amalgamated Trust and Savings Bank, Chicago, Illinois. The officers as of this date were listed as follows:

J. IMBURGIO BULGER	-	President
CIRO F. BLZANO	-	1st Vice President
LEO BONAVENTURA	-	2nd Vice President
D. FRANK COCCIA	-	Secretary
VINCENT E. FERRARA	-	Treasurer

Special Employee R. W. NICKLESS made a check of the records of Hills Reports, credit agency, in the Italo-American National Union and located a report dated January 12, 1939, which set forth the officers as of that date as follows:

PHILIP L. D'ANDREA	-	President
CIRO F. BLAZARO	-	1st Vice President
LEO BONAVENTURA	-	2nd Vice President
D. FRANK COCCIA	-	Secretary
VINCENT FERRARA	-	Treasurer

The records of Hills Reports reflect the company was chartered in Illinois in 1895 for the purpose of organizing Americans of Italian origin. It is stated to be the only Italian organization operating under the Legal Reserve and they have $1000,000.00 deposited with the Insurance Department of the State of Illinois. The union does both insurance and sociological work among the nationality, and the financial statement for 1938 lists total assets of $224,947.00, with liabilities of $185,723.00. The organizational structure of the union provides for national operation, but as a practical matter its activities are restricted within the confines of the Middle Western States. It was reported that the organization membership numbers about 5,000 and consists of 75 active lodges in Michigan, Illinois, Ohio and Indiana. Subject PHILIP D'ANDREA was Supreme President during the years 1937, 1938 and 1939.

Chicago File 58-194
KSS:lab

The following investigation was conducted by Special Agents DOUGLASS E. WENDEL and KENNETH S. SMITH.

WILLIAM GRAVES, Northern Trust Company, Chicago, Illinois, advised on October 13, 1947, that the Italo-American National Union maintained two checking accounts at the Northern Trust Company. GRAVES produced the ledger cards of both accounts, which are listed under the following headings:

Italo-American National Union
Mortuary and General Funds
30 West Washington
Chicago, Illinois.

Italo-American National Union
Lodge Etna No. 1
c/o Charles Borsellino, Treasurer
3845 West Gladys Avenue
Chicago, Illinois

Signature cards for the accounts reflected the names of V. E. FERRARA, Treasurer, and JOSEPH IMBURGIO BULGER, President.

Examination of Lodge Etna No. 1 account for the period from December 1943 to September 1947, reflects that the maximum balance did not exceed $1400.00. It was also noted that the account was inactive and that the maximum amounts of all checks drawn were in the lower three figures. Examination of the Mortuary and General Fund account for the period from December 1943 to September 1947, reflects an averaging balance between $40,000.00 and $90,000.00. Deposits average between $1,000.00 and $2,000.00, with a frequency of eight to ten deposits per month. The account does not appear active and the majority of checks drawn are in two and three figures. For the period of October 1946 to September 1947, the only exceptions to this rule are set out as follows:

Date	Check	Deposit	Balance
10/17/46		$15,850.00	$87,299.46
2/5/47	$ 14,885.25		
	7,481.38		80,573.08
2/19/47	27,932.39		59,233.09
3/4/47	10,033.33		
	1,500.00		
	1,500.00		47,934.31
7/18/47	10,190.35		60,600.59
8/11/47	5,271.39		61,887.85
8/16/47	1,000.00		
	9,290.21		52,749.50

Chicago File 68-194
KSS:lab

Date	Check	Deposit	Balance
8/27/47	$ 9,944.17		$43,555.97
8/28/47	5,235.83		40,102.48
9/15/47			47,410.43

In connection with the above figures, it will be noted that the $15,850.00 deposit was set out as an exception. Examination of the deposit ticket reflects that the bank credited the account with the proceeds of the sale of bonds amounting to $10,600.00 and $5,250.00. In connection with the checks, it will be noted that they are twelve in number, ranging from approximately $28,000.00 to $1,000.00.

In this connection, the checks on this account for the month of October 1947 were made available to the Agents and examined. Among the cancelled checks was a check found payable to M. N. Elsenau Company in the amount of $20 791.67, for the purchase of 20,000 Chicago Trans. Auth., 3 3/4% R.B. and Accumulated Interest bonds.

E. J. OHOTA, Assistant Auditor, Northern Trust Company, advised that M. N. Elsenau Company is a local bond broker in the city of Chicago and that the check would represent payment for securities which are undoubtedly investments being made by the company. Inasmuch as this disbursement is an odd amount, and appears similar to those set out above, OHOTA stated that it was quite probable that the Italo-American National Union was disbursing the above funds in the form of investments. OHOTA advised that the Northern Trust Company does not maintain recordak photos of customers' checks and that it would be impossible to determine the payee of the above disbursements in a ready fashion. He did point out, however, that some of the above disbursements might be traced through their clearing records to the original payee. However, this would entail at least a week's work by employees of the bank.

ERNEST FUMASOLI, Officer of the LaSalle National Bank, Chicago, Illinois, at the request of the Agents, telephonically contacted the Amalgamated Trust and Savings Bank, Chicago, Illinois, in an effort to ascertain if this bank maintained any accounts in the name of BULGER or the Italo-American National Union. The result of this contact by FUMASOLI was that the Amalgamated Bank did not carry any accounts in these two names.

During the course of the examination of the ledger cards of the Italo-American National Union at the Northern Trust Company, the Agents observed a ledger card headed Italian Welfare Council, former address 30 West Washington Street, Chicago, and new address, in care of VINCENT P. RUSSO, Treasurer, 67 South Watermarket, Chicago, Illinois. This account was questioned inasmuch as the previous address was identical with that of the Italo-American National Union.

Chicago File 58-194
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The signature card of the Italian Welfare Council reflected authorized signers names to be VINCENT E. FERRARA, Secretary; VINCENT P. RUSSO, Treasurer; and JOSEPH R. SALERNO, President. Examination of this account from December, 1943 to September, 1947, reflected very little activity with an average balance of approximately $65,000.00. All of the checks drawn on the account were in small amounts of two or three figures, with the exception of one $60,000.00 check charged to the account February 24, 1947. This check had reduced the then existing balance of $78,194.07 to $18,194.07, and as of September, 1947, the balance was built up to $64,029.68, with deposits ranging from $4,000.00 to $8,000.00.

E. J. OHOTA searched the clearing records and on October 15, advised that the check had cleared through the Continental Illinois Bank and Trust Company of Chicago, Illinois, in the clearings letter dated February 23, 1947.

F. STOCKER, JR., Auditor, Continental Illinois Bank and Trust Company, Chicago, Illinois, advised that the $60,000.00 check had been received by his bank in the clearings letter dated February 21, 1947, from the Cosmopolitan National Bank of Chicago, 801 North Clark Street, Chicago, Illinois. STOCKER advised that the Continental Illinois Bank and Trust Company handles the clearings for this bank and that possibly the $60,000.00 check had either been cashed or deposited in a customer's account at the Cosmopolitan National Bank.

DONALD D. MAGERS, Vice President, Cosmopolitan National Bank of Chicago, advised that on February 21, 1947, an account was opened under the name of Italian Welfare Council, 20 East Jackson Boulevard, Chicago, Illinois, with a check drawn on the Northern Trust Company in the amount of $60,000.00. MAGERS produced the ledger cards of the instant account and it was noted that the account was very inactive and that all checks drawn against the account were in lower two and three figures. The balance as of September 30, 1947, was approximately $43,000.00, and, according to MAGERS, the funds disbursed from this account were for welfare and charitable purposes in connection with needy Italians. Upon examination of the signature card, it was found that the officers listed thereon were identical with those listed on the signature card of the account at the Northern Trust Company.

Chicago File #58-194
DEW:MEL

The following investigation was conducted by SAS KENNETH S. SMITH and DOUGLASS E. WENDEL:

On October 13, 1947 Mr. A. J. ZACCONE, Assistant Auditor of the Oak Park National Bank, 9 Madison Avenue, Oak Park, Illinois, advised that JOSEPH I. BULGER maintained two accounts in this bank. ZACCONE stated that he maintained a special account in the name of JOSEPH I. BULGER, 1818 Lake Street, Melrose Park, Illinois, and that he maintained another account entitled JOSEPH IMBURGIO BULGER and ELSIE BULGER, with an address of 161 Broadway, Melrose Park, Illinois.

An examination of the regular account in the name of both BULGER and his wife revealed the following deposits were made to this account for the period from January 1, 1944 through October 13, 1947. It is to be noted that the deposits listed are those that were over $1,000:

6/1/44	-	$4,644.88
10/31/44	-	1,180.00
1/15/45	-	1,200.00
3/17/45	-	2,250.00
5/23/45	-	3,100.00
7/3/45	-	1,452.59
1/10/47	-	6,000.00
2/26/47	-	1,500.00

During this same period the following checks over $1,000 were charged against the account of BULGER:

6/2/44	-	$1,070.00
3/21/45	-	1,075.00
3/24/45	-	1,000.00
6/22/45	-	1,550.00
2/11/46	-	3,000.00

An examination of the special account maintained by BULGER in this bank revealed that there was one deposit made on June 10, 1944 in the amount of $12,048, and that the following checks over $1,000 were drawn against this account in the year 1944:

6/13	-	$3,500.00
7/15	-	1,000.00
7/21	-	1,000.00
9/20	-	2,826.72

Chicago File #58-194
DEW:MEL

The average balance of the regular account maintained by BULGER was approximately $1,500. The special account was opened in the year 1944, and was reduced from $12,048 to approximately $500 within the year 1944, and was closed out in the year 1947.

Deposit slips were examined for all of the deposits listed above, and it was ascertained that deposits originated as follows:

June 1, 1944 - Deposit slip dated May 29, 1944 in the amount of $4,644.88. Deposit slip reveals that this was a certified check drawn on the Upper Avenue National Bank, Chicago, Illinois.

October 31, 1944 - Deposit slip dated October 30, 1944 in the amount of $1,180 is check drawn on the Prairie State Bank.

January 15, 1945 - Deposit slip dated January 13, 1945 in the amount of $1,200 is check drawn on Oak Park National Bank.

March 17, 1945 - Deposit slip dated March 16, 1945 in amount of $2,250. Deposit was check drawn on Oak Park National Bank.

May 23, 1945 - Deposit slip dated May 23, 1945 in amount of $3,100. Deposit is check of $1,550 drawn on a Chicago bank, and $1,550 drawn on an out of town bank.

July 3, 1945 - Deposit slip dated July 3, 1945 in amount of $1,452.59. Deposit is check drawn on Oak Park National Bank.

January 10, 1946 - Deposit slip dated January 9, 1946 in the amount of $6,000. Deposit is check drawn on Chicago bank.

February 26, 1947 - Deposit slip dated February 25, 1947 in the amount of $1,500. Deposit is check drawn on a Chicago bank.

Examination of the deposit slip in connection with the deposit in the special account of BULGER's revealed that the deposit slip was dated June 10, 1944 in the amount of $12,048, and that the deposit was one check on a Chicago bank.

Efforts were made to trace the above-listed deposits and the checks drawn on the two accounts of BULGER. However, Mr. ZACCONE stated that the records of the Oak Park National Bank were destroyed after six months. He stated that these records included daily cash letters to the Federal Reserve, cash letters to the Continental Illinois Bank and Trust Company, clearing sheets and journal

sheets. He further stated that there was no way that his bank could give any additional information in regard to the items of interest. It is noted that the information as to the origination of the checks deposited in the accounts of BULGER was derived from the deposit slips themselves, wherein the deposit slip is arranged in columnar form showing checks deposited on the Oak Park National Bank, Chicago banks or out of town banks.

Mr. ZACCONE further advised that on January 1, 1945 the Oak Park National Bank was organized, and was an outgrowth of the Prairie State Bank. ZACCONE also stated that the bank had moved in the past year.

Prior to the time that the bank was changed from a state bank to a national bank, the Prairie State Bank cleared all of their items through the Continental Illinois Bank and Trust Company. Since they have become a national bank, their clearings are handled through Federal Reserve in Chicago except for a few non-par items.

In connection with the deposit made to the special account of BULGER's in the amount of $12,048, Mr. F. STOCKER, JR., Auditor of the Continental Illinois Bank and Trust Company, was contacted, and he stated that all clearing records of the Continental Bank were destroyed after a two year period, and, therefore, it would be impossible for his bank to trace this deposit.

In connection with the deposit in the regular account of BULGER's dated June 1, 1944 in the amount of $4,644.88, Miss R. R. LAMBERT, Auditor of the Upper Avenue National Bank, advised that a certified check was purchased on May 29, 1944 by THOMAS L. G. DEUELL. This check was made payable to J. T. BULGER, and was their certified check No. 16222.

Chicago file 58-194
DEW:eak

The following investigation was conducted by Special Agents KENNETH S. SMITH and DOUGLASS E. WENDEL, on October 15, 1947.

Attorney GEORGE E. CALLAGHAN, 1742 Bankers' Building, Chicago, Illinois, was interviewed in connection with his participation in the procurement of the bail bonds for subjects in 1943. Previous investigation at the American Casualty Company revealed that TIM DUNNE, Manager of the Fidelity and Surety Department of this Company, had been contacted by CALLAGHAN at the time the bail bonds for subjects were to be made, and that later CALLAGHAN contacted an insurance broker named ARTHUR J. WARD, who in turn contacted DUNNE and made arrangements for the placing of the bail bonds for the subjects. DUNNE has stated that he and CALLAGHAN were friends.

At the time CALLAGHAN was interviewed, he stated that he would not answer any questions in regard to the bail bonds and he could not see what connection they had with the paroles of the subjects. He was informed that allegations of bribery had been made and that this made the investigation of the bail bonds necessary. He reiterated he would not answer any questions put to him by the Agents.

It is noted that throughout the interview CALLAGHAN was antagonistic, argumentative and un-cooperative.

Chicago File 58-194
JEH:rmb

DOMINIC CARUSO, 772 West DeKoven Street, Chicago, Illinois, was interviewed at the Chicago Office by Special Agents JOE C. WHEELER and JOHN E. HOWARD on October 15, 1947.

CARUSO at the time of interview advised he requested his sisters, LUCY and DEHLIA CARUSO, to put up $5,000 each to be used as part of the bail money for LOUIS CAMPAGNA and PAUL RICCA. He stated he did this at the direct request of these Subjects who had previously loaned him money and to whom he felt indebted. He stated that in 1935, when he needed money in order to help his sisters start the business they presently operate, these men had loaned him the necessary capital. He therefore felt, when requested, that it was only just that he repay them by loaning them money when they needed it.

CARUSO stated he has never at any other time loaned these two individuals any other money whatsoever to be used for any purpose. He stated he is not acquainted with the other parolees and has never loaned the others any money whatsoever at any time.

He advised he had no further knowledge of this matter and could furnish no information indicating that anyone had put up money to be used as a bribe to obtain the paroles of subject parolees.

Chicago file 58-194
DEW:eak

The following investigation was conducted by Special Agents KENNETH S. SMITH and DOUGLASS E. WENDEL, on October 15, 1947.

Judge RUDOLPH DeSORT, Superior Court of Cook County, stated he did not remember signing the form, "Statement of Parole Advisor," that he signs many papers a day and sees approximately fifty attorneys a day. He stated he knew HARRY ASH but cannot recall him bringing in this form for him to sign. He added that he may very well have signed the form and not recall it.

Chicago File 58-194
JEH:rmb

"WESTSIDE" JACK O'KEEFE, 3131 West Madison Street, Chicago, Illinois, was interviewed by Special Agents JOE C. WHEELER and JOHN E. HOWARD on October 15, 1947. At the time of this interview O'KEEFE advised that of the subject parolees in Chicago, Illinois he is only acquainted with LOUIS CAMPAGNA. He states he might recognize some of the other parolees if he saw them but is not acquainted with them. O'KEEFE advised he did not put up any money to be used as bond money for parolees at the time of their apprehension in 1943, or was he contacted by anyone for this purpose. He stated he did not put up any money to be used in payment of the government's income tax claim against any of subject parolees, nor was he contacted by anyone for this purpose. He stated he did not put up any money which might be used as a bribe to procure the paroles of subject parolees, nor was he contacted by anyone for this purpose. He stated he knows nothing concerning any money being advanced by anyone to be used as a bribe to procure the parole of subject parolees. He has heard no talk other than newspaper accounts of the possibility of parolees having procured their paroles through bribery.

O'KEEFE advised he is acquainted with WILLIE HEENEY, having known him for about thirty or thirty-five years. He stated that during the past summer HEENEY has been in ill health, and as a result rented a place for the summer at Lake Geneva, Wisconsin, where O'KEEFE has a summer home. He stated that he has visited with HEENEY at Lake Geneva for a few moments on occasion, and he had discussed the parole of subject parolees with HEENEY simply as a matter of interest. He stated that as he recalled, the only discussion they had concerning this matter was shortly after it was announced that Subjects were to be paroled and prior to the time that any mention was made of there having been any irregularities in the procuring of these paroles. He stated he has never at any time heard WILLIE HEENEY, or anyone else, state that they "fixed" the paroles of Subject parolees.

O'KEEFE advised he could give no information indicating that anyone did or might have engaged in any improper activities in an effort to procure the parole of subject parolees. He expressed the opinion that if money was used as a bribe, it would not have been handled by any outsider but would be paid through and handled entirely by someone in the "syndicate".

Chicago File 58-194
JEH:rmb

On October 15, 1947, Special Agents JOE C. WHEELER and JOHN E. HOWARD attempted to interview Mrs. CAROLINE SPINGOLA at her home, 5529 West Van Buren Street, Chicago, Illinois, it having been reported that she put up $20,000 for use as bond money for subject parolees in 1943. It was determined that Mrs. SPINGOLA is 80 years old, suffered a stroke of paralysis last week and has cataracts on both eyes. It was also found that Mrs. SPINGOLA speaks no English. Through her son-in-law, Dr. JOHN J. DRAMMIS, who resides with her at the above address, it was determined that Mrs. SPINGOLA stated she cannot at this time remember anything concerning the putting up of $20,000 to be used as bond money for subject parolees, and that her son, SALVATORE SPINGOLA, who owns and operates "The Drum", a barroom at 114 North Dearborn, Chicago, would be the proper person to give the requested information.

SALVATORE SPINGOLA was interviewed by reporting Agents at which time he stated that his family and the family of PAUL DeLUCIA had lived in the same neighborhood for many many years, that he and the DeLUCIA children had been reared together and their families had always been friendly. He stated that in 1943, when DeLUCIA was arrested, his brother-in-law, CHARLES SPIZZIRRI, who died in June of this year, took up a collection to be used as bond money for Subject DeLUCIA. He borrowed this money from various persons in the neighborhood whose identities were unknown to SPINGOLA. Part of the money was put up by CAROLINE SPINGOLA and some by SALVATORE SPINGOLA. He stated he himself would have turned this money over to be used as bond money by the insurance company handling the matter, but that on the day it was to be put up, he believes April 16, 1943, he was inducted into the U. S. Army. He, therefore, requested that his mother put up the money. She did this, putting the entire sum up in her own name in order to insure that when the money was paid back it would be paid to her, and she could take from it that part which she personally had contributed, before the funds were distributed, thus insuring the return of her money. He stated that his mother did receive the money back but that she received no profit from this transaction and that it was done strictly on a basis of friendship.

SPINGOLA advised he did not know where the money was put up but believes it was with some insurance company in the loop. He does not know attorneys BERNSTEIN or BULGER. He stated that so far as he knows, neither he nor any member of his family contributed any money to pay for back income taxes of subject parolees, nor did they contribute any money that might be used as a bribe to pay for the paroles of subject parolees. He was not contacted by anyone for these purposes, and so far as he is aware, none of

the other members of his family were so contacted. He stated that he knows PAUL DeLUCIA from having lived in the same neighborhood with him and that he knows CAMPAGNA by sight. He is not acquainted with other parolees, and he further advised he has seen none of them since their release on parole.

- P E N D I N G -

Chicago File 58-194
WSM:rmb

UNDEVELOPED LEADS

THE CHICAGO OFFICE

At Chicago, Illinois

*Will consider the advisability of reinterviewing JOSEPH I. BULGER, 134 North Clark Street, after the interview with ANTHONY ACCARDO, concerning the use of his name by ACCARDO, and for any information in connection with instant paroles.

*Will, after the completion of the interviews with the individuals posting cash collateral for bonds for the Subjects, interview JOSEPH BULGER concerning his connection with the bond matter.

*Will interview the following individuals who contributed cash collateral toward the bonds of Subjects of this case in 1943 and 1944:

LOUIS B. COHEN, Seneca Hotel, Chicago - $10,000
Mrs. ELSIE PLEIG, 4300 Marine Drive, Chicago - $10,000

*Will interview SAM RINELLA, 775 South Chappel Avenue, with reference to his posting $5,000 cash bond through GEORGE CHERONES, 105 North Clark Street, for RALPH PIERCE.

*Will interview HARRY RUSSELL and DAVE RUSSELL, who may be residing at 641 West Madison Street, Chicago, concerning their contribution of $8,000 toward the posting of a bond for RALPH PIERCE, transaction handled by DAVID V. PELLET.

*Will recontact Attorney EDWARD S. CODY, 130 North Wells Street, Room 1800, telephone STAte 0968, to ascertain if possible the identity of the client on whose behalf CODY contributed $10,000 to apply on Subjects' bail bond.

*Will consider the advisability of reinterviewing JOSEPH FUSCO, Gold Seal Liquors, Inc., 707 West Harrison Street, concerning his refusal to discuss the tax settlement matter at the time of the original interview.

Chicago File 58-194
WSM:rmb

At River Forest, Illinois

*Will interview ANTHONY ACCARDO, 1334 North Ashland Avenue, in regard to his using the name of JOSEPH I. BULGER while visiting DeLUCIA and CAMPAGNA while they were incarcerated in Leavenworth.

*Will also interview ACCARDO for any knowledge he may have in connection with the securing of the paroles of these Subjects.

- P E N D I N G -

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 17 1947

TELEMETER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/95 BY SP5A/CA

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease

WASH 11 FROM CGO 17 6-20 PM RLS

DIRECTOR AND SAC WASH FIELD "U R G E N T"

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTER. SIDNEY KORSHAK REINTERVIEWED THIS DATE AT HIS OFFICE, ONE THREE FOUR NORTH LASALLE STREET, CHICAGO. ADVISED THAT IN CONNECTION WITH HIS ALLEGED TELLING HARRY ASH OF BISHOP SHIELS CONNECTION WITH PAROLE CASE THAT HE HAD NOTHING TO DO WITH THE BISHOP-S NAME BEING BROUGHT INTO THE CASE. HE STATED THAT SHORTLY AFTER THE ADVERSE PUBLICITY OF THE PAROLES AND SEVERAL DISCUSSIONS OF THE PAROLES WITH ASH, THAT ASH ACCUSED HIM ONE DAY OF TELLING ASH THAT BISHOP SHIELS HAD WRITTEN A LETTER IN BEHALF OF GIOE. KORSHAK STATED THAT HE INFORMED ASH THAT IF THE BISHOP HAD WRITTEN A LETTER, IT WOULD NOT BE CONCEALED, AND THAT IT WOULD APPEAR DURING THE HEARINGS. FURTHERMORE, THIS WOULD STRENGTHEN THE PAROLE BOARD-S CASE AND THEY WOULD NOT HIDE IT. KORSHAK STATED THAT JIM DOHERTY, CICAGO TRIBUNE REPORTER, TOLD HIM THAT GOVERNOR GREEN HAD CALLED AN INDIVIDUAL NAMED MAXWELL OF THE CHICAGO TRIBUNE, TELLING MAXWELL THAT ASH WOULD HAVE TO RESIGN HIS POSITION AS SUPERINTENDENT OF CRIME PREVENTION, THAT MAXWELL CALLED DOHERTY IN WASHINGTON, AND DOHERTY THEN CALLED ASH IN CALIFORNIA AND TOLD ASH THAT HE SHOULD RESIGN. KORSHAK FURTHER STATED THAT DOHERTY TOLD HIM PREVIOUS TO THE ABOVE THAT ASH WOULD NOT GET INTO ANY TROUBLE BECAUSE DOHERTY HAD TOLD REPRESENTATIVE HOFFMAN NOT TO ALLOW LYONS TO CROSS EXAMINE ASH. ACCORDING TO KORSHAK, DOHERTY HAS BEEN RUNNING THE CROSS

RECORDED
INDEXED 58-2000-241
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51 DEC 18 1947

END PAGE ONE

TWO COPIES WFO

cc: Mr. McCabe

EXAMINATIONS AT THE CONGRESSIONAL HEARINGS. IN RE ASH-S TESTIMONY AT CONGRESSIONAL HEARINGS, KORSHAK STATED BOTH HE AND DOHERTY THE EVENING PREVIOUS HAD COACHED ASH AS TO HIS TESTIMONY, BUT ASH HAD NOT FOLLOWED THEIR INSTRUCTIONS. KORSHAK SAID THEY TOLD ASH TO ADMIT WRITING THE LETTERS, ADMIT HIS INTENTIONS OF ACTING AS PAROLE ADVISER, AND ADMIT HIS REASONS WERE SO THAT A CRIMINAL COULD BE UNDER THE PROTECTION OF A KNOWN LAW ENFORCEMENT OFFICER IN THE EVENT HE WAS PAROLED. KORSHAK STATED THAT ASH IS EMOTIONAL AND IRRESPONSIBLE IN HIS STATEMENTS, HAVING AN ENORMOUS IMAGINATION. KORSHAK STATED THAT ASH RECENTLY WENT TO CALIFORNIA AND PRIOR TO MAKING THIS TRIP CONTACTED DOHERTY FOR ANY SUGGESTIONS FROM DOHERTY. ASH LEFT BECAUSE HE WAS AFRAID OF BEING CROSS EXAMINED BY LYONS. ASH-S TRIP DISAPPROVED BY DOHERTY, HOWEVER, ASH MADE JOURNEY REGARDLESS. KORSHAK STATED ASH DID NOT RECOMMENT LOUIS PELTON AS SUBSTITUTE PAROLE ADVISER BECAUSE OF THE FACT THAT KORSHAK KNOWS THESE TWO MEN ARE UNFRIENDLY. KORSHAK STATED HE TOOK THE FORM QUOTE STATEMENT OF PAROLE ADVISER UNQUOTE TO JUDGE DESORT, SO THAT THE JUDGE COULD SIGN FOR HARRY ASH AS AN AUTHORIZED OFFICER. KORSHAK DENIED HAVING ANY KNOWLEDGE OF ANYTHING IN CONNECTION WITH THE PAROLES OF THE SUBJECTS AND WHEN ASKED A DIRECT QUESTION AS TO WHETHER HE ENGINEERED THE PAROLES, STATED EMPHATICALLY

END PAGE TWO

NO. SAM RINELLA ADVISED THAT HE POSTED FIVE THOUSAND DOLLARS CASH TOWARDS THE BOND OF DEFENDANT RALPH PIERCE, THAT THIS TRANSACTION WAS HANDLED THROUGH ONE GEORGE CHERONES, A REAL ESTATE BROKER. RINELLA STATED THAT HE WAS REQUESTED TO CONTRIBUTE THIS AMOUNT BY TWO INDIVIDUALS, NEITHER OF WHOSE NAMES HE CAN RECALL AT THE PRESENT TIME, BUT BOTH OF THEM WERE ENGAGED IN THE BOOK MAKING BUSINESS. RINELLA FURTHER ADVISED THAT THE GREATER PROTION OF MONEY, THE EXACT AMOUNT BEING UNKNOWN, WAS PUT UP BY HIS BROTHER, JOE, WHO IS NOW DECEASED. HE WAS REPAID THIS MONEY WITHIN A YEAR TO FIFTEEN MONTHS. HE STATED HE DID NOT RECEIVE ANY FEE OR REMINERATION OF ANY KIND FOR DOING THIS, BUT HAD DONE SO AT THE REQUEST OF THE TWO UNKNOWN INDIVIDUALS. RINELLA DENIED ANY KNOWLEDGE OF ANY IRREGULARITIES IN THE MANNER IN WHICH SUBJECTS RECEIVED THEIR RECENT PAROLE, AND DENIED THAT HE HAD EVER MADE ANY CONTRIBUTION TO ANYONE Toward THE SETTLEMENT OF ANY INCOME TAX CLAIMS AGAINT ANY OF THE DEFENDANTS. REINELA STATED THAT HE KNEW RALPH PIERCE FAIRLY WELL, AND WAS ACQUAINTED WITH THE REMAINING DEFENDANTS BY SIGHT ONLY. MRS. ANNA KRUSE, CONTRIBUTED TEN THOUDSAND DOLLARS FOR THE BOND OF SUBJECT RALPH PIERCE SOMETIME DURING NINETEEN FORTY THREE. MRS. ANNA KRUSE STATES SHE CONTRIBUTED SEVEN THOUSAND DOLLARS OF THE TEN THOUSAND DOLLAR BOND, THAT THIS WAS HER WON MONEY, AND THAT SHE DID SO AT THE SUGGESTION OF MRS. RALPH PIERCE, WHOM SHE HAS KNOWN SEVERAL YEARS. MRS. ANNA KRUSE STATES SHE CONTRIBUTED THE MONEY ON A

END PAGE THREE

PAGE FOUR

STRICTLY PERSONAL BASIS AND RECEIVED NO COMPENSATION OR BONUS FOR SO DOING. MRS. ANNA DRUSE STATES SHE WAS REFUNDED HER MONEY ABOUT ONE AND ONE HALF YEARS AGO AND THAT THIS MONEY WAS RETURNED TO HER IN A CHECK FROM THE BONDING COMPANY, NAME UNKNOWN, WHICH HANDLED THE MATTER FOR RALPH PIERCE. MRS. ANNA DRUSE DENIES KNOWING ~~XXX~~ ATTORNEY EUGENE BERNSTEIN AND DENIES ~~CONTRIBUTXXXXX~~ CONTRIBUTING TO ANY FUND FOR THE SETTLEMENT OF THE INCOME TAX OF THE SUBJECTS IN THIS CASE. SHE ALSO DENIES ~~KNXXXX~~ KNOWING OF ANY OF THE SUBJECTS ~~XXXXXX~~ OTHER THAN RALPH PIERCE.

~~MC XXX~~ MC SWAIN

END AND ACK

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: October 18, 1947

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was, etal
BRIBERY

For the information of the Bureau there are transmitted herewith newspaper clippings from the Chicago Daily Tribune and the Chicago Daily News dated October 16th and 17th respectively, with regard to the captioned matter.

MG
Encs.

2 ENCL

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F B I
32 DEC 3 1947

2/2/95 SPSaylen

51 DEC 18 1947

New Call For 'Facts' In Paroles

A new demand for facts concerning the release of four Capone gang chiefs was voiced today by Representative Busbey as he received a brief answer in the case.

Busbey, Chicago Republican, member of a congressional committee investigating the matter, is attempting to find out who authorized the dismissal of indictments charging the four men with lotting union treasuries of $1,000,000.

* * *

THESE indictments remained on federal dockets after the gangsters had been sent to prison for an extortion plot against the movie industry. The indictments were dismissed May 6, 1947.

The gangsters were paroled in August after serving only three years of their 10-year sentences. The four—Paul Ricca, Louis Campagna, Charles Gioe and Phil D'Andrea—returned to Chicago.

* * *

TODAY, BUSBEY had a telegram from Peyton Ford, acting assistant attorney general, that said the indictments were dismissed May 6 "on order of the government."

Busbey immediately sent a telegram to Ford demanding to know "who in the government" authorized the quashing of the fraud charges.

"I am not satisfied with this answer," said Busbey. "The dismissal of the indictments paved the way for the parole. I want to know what man gave the word for the dismissal."

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DATE 2/12/95 BY SP5CA/CW

ENCLOSURE

RECORDED 58-2500-242
32 OCT 3 1947

CHICAGO DAILY NEWS
Oct 17, 1947

CLARK DENIES KNOWLEDGE OF GANG PAROLES

Atty. Gen. Clark yesterday disclaimed advance knowledge either of the parole of the four former Capone gangsters who returned to Chicago last August after serving only one-third of their 10 year prison sentences, or of the mysterious dismissal of a second indictment against the four which might have interfered with their parole.

The latter charge, involving a million dollar fraud against members of a theatrical union, was dropped in New York last May—the same month in which parole proceedings were initiated—at the request of an assistant attorney general who said the dismissal had been approved by his chief. The four gangsters are Paul Ricca, Phil D'Andrea, Louis Campagna, and Charles Gioe.

The charge upon which they were sentenced involved the embezzlement of a million dollars from movie producers. Dismissal of the second charge was discovered only last Saturday by Rep. Busbey [R., Ill.] in the course of a congressional investigation of the paroles.

Clark was here to address members of the National Association of Retail Druggists, meeting in the Sherman hotel.

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HEREIN IS UNCLASSIFIED
DATE 2/12/95 BY SP5 alw

CHICAGO DAILY TRIBUNE
Oct 16, 1947

RECORDED 58-2000-242
ENCLOSURE
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AL BUREAU OF INVESTIGATION
S. DEPARTMENT OF JUSTICE
OMMUNICATIONS SECTION

OCT 18 1947

TELEMETER

Mr. [illegible]
Mr. E. [illegible] Tamm
Mr. Cle[illegible]
Mr. Gla[illegible]
Mr. Ladd
Mr. [illegible]
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gur[illegible]
Mr. Hal[illegible]
Mr. Mohr
Mr. Penn[illegible]
Mr. Quinn Tamm
Mr. Nease
Miss Gan[illegible]

710

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/12/98 BY SP5CA/CW

WASHINGTON AND WASHINGTON FIELD 5 FROM CG 18 1-44PM

CONF TO DIRECTOR, SAC WASHINGTON FIELD AND MIAMI URGENT

ATTENTION. ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTER. MRS. ANTHONY ACCARDO DEPARTED CHICAGO, SIX PM, OCTOBER SEVENTEEN LAST VIA EASTERN AIRLINES, FLIGHT NUMBER ONE NAUGHT THREE, TRAVELLING UNDER NAME OF MRS. C. ACCARDO, [redacted] WAS SCHEDULED TO ARRIVE MIAMI b6 b7C MIDNIGHT SAME DAY. MRS. ACCARDO DESCRIBED AS FOLLOWS. AGE THIRTYFIVE, HEIGHT FIVE FEET SIX OR SEVEN, WEIGHT ONE TWENTYFIVE TO ONE THIRTY POUNDS, BUILD MEDIUM, HAIR DYED PLATINUM BLOND, ALMOST SILVER IN COLOR, COMPLEXION RUDDY, FEATURES HEAVY, LARGE NOSE, ITALIAN DESCENT, SOFT SPOKEN VOICE. NO INFORMATION AVAILABLE AS TO ADDRESS AT MIAMI.

RECORDED & INDEXED 58-3[illegible]-243

[redacted] b6 b7C DESCRIPTION OF SUBJECT ACCARDO IS AS FOLLOWS. ANTHONY JOSEPH ACCARDO WITH ALIAS JOE BATTERS, BORN APRIL TWENTYEIGHT, NINETEEN HUNDRED SIX, HEIGHT FIVE FEET NINE TO TEN INCHES, COMPLEXION SALLOW, HAIR DARK BROWN, EYES HAZEL, NOSE FLAT, PROBABLY BROKEN, BUILD MEDIUM TO LARGE, WEIGHT ONE HUNDRED NINETYFIVE POUNDS, SCARS TATTOO OF FLYING DOVE ON BACK OF RIGHT HAND.

TWO COPIES WFO

cc: Mr. McCabe

51 DEC 18 1947

PHOTOGRAPH OF ACCARDO BE ING FORWARDED AMSD TODAY. EVERY EFFORT SHOULD BE MADE TO LOCATE ACCARDO AND INTERVIEW HIM IN ACCORDANCE WITH MY TELETYPE OF OCTOBER FIFTEENTH LAST.

MC SWAIN

END AND ACK PLS

Miami advised

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD FILE NO. 58-194

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
CHICAGO, ILLINOIS	10/18/47	10/15,17/47	WAYNE S. MURPHY WSM:gm

TITLE	CHARACTER OF CASE
LOUIS CAMPAGNA, was., et al	BRIBERY PAROLE MATTERS

SYNOPSIS OF FACTS: MRS. ELSIE KRUSE, together with her mother-in-law, MRS. ANNA KRUSE, voluntarily furnished $10,000 cash collateral on bond for RALPH PIERCE with whom they both were personally acquainted. No fees or interest received for their contributions, and full amount was refunded. Both these witnesses denied contributing any additional funds for PIERCE or Subjects of this case. SAM RINELLA advised that he and his brother, now deceased, furnished $5,000 cash collateral towards bond of RALPH PIERCE at request of two individuals, neither of whose names he could recall. He received no fee or interest, and stated that all the money was subsequently refunded. States he has contributed no additional money in behalf of PIERCE or Subjects of this case. Rev. JOHN J. RENGEL advised he wrote letter to Parole Board in behalf of Subject D'ANDREA because of his interest in the welfare of D'ANDREA's 13-year [redacted] whose mother died after Subject's incarceration. SIDNEY KORSHAK, attorney, reinterviewed. Still insists that he did not tell anyone that Bishop SHIEL was interested in Subject GIOE's parole. Claims that ASH mentioned Bishop SHIEL's name to him several times. Describes ASH as very emotional and unstable in his thoughts, with an enormous imagination. KORSHAK related that he and JAMES DOHERTY, Chicago Daily Tribune reporter, coached ASH on his testimony before Congressional Committee the evening before ASH testified, that this coaching was along the lines that ASH had written a letter in behalf of GIOE expressing his willingness to act as GIOE's parole advisor, and that his intentions were of the best, but that when ASH testified, he would not admit that he was a parole advisor for GIOE. KORSHAK still denies knowledge of any irregularities in connection with obtaining of parole, admits that he took form known as "Statement Of Parole Advisor", naming ASH as GIOE's parole advisor, to Judge RUDOLPH DeSORT for Judge's signature.

NO STATISTICS

b6
b7C

- B I -

- P -

APPROVED AND FORWARDED: SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES: 244

RECORDED & INDEXED

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3 - Bureau (AMSD) (ATTN: Asst. Dir. A. ROSEN)
2 - Washington Field (AMSD) (58-291)
4 - Chicago

111

7-2034

Chicago File 58-194.

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SAM RINELLA. 7

REFERENCES: Bureau letter to Washington Field dated 9/22/47.
Report of SA WAYNE S. MURPHY dated 10/16/47 at Chicago.

DETAILS: AT CHICAGO, ILLINOIS:

Chicago File 58-194
DEW:rmb

The following investigation was conducted by Special Agents KENNETH S. SMITH and DOUGLASS E. WENDEL:

On October 17, 1947, SIDNEY KORSHAK, attorney, was reinterviewed at his office at 134 North LaSalle Street, Chicago, Illinois. He was questioned as to the circumstances surrounding the appearance of Bishop SHIEL in instant parole case, and he advised he did not tell anyone that Bishop SHIEL was interested in CHARLES GIOE's parole. He stated that if statements have been made to the effect that he is the originator of the Bishop's name, that these statements are false. According to KORSHAK, HARRY ASH has mentioned the Bishop's name several times to him, and shortly after the adverse publicity in this case was released, ASH contacted him and accused him of telling ASH that Bishop SHIEL had written a letter for GIOE. On one occasion, ASH told KORSHAK that two priests had visited ASH in his office, and that a formal denial had been made by the priests that Bishop SHIEL had anything to do with the paroles of Subjects. According to KORSHAK, ASH stated he promised the priests he would not mention SHIEL's name in the matter. KORSHAK stated he had informed ASH that if Bishop SHIEL had written a letter, that it would not be concealed because of the fact that it would strengthen the Parole Board's actions if such a letter had been received by that Board.

KORSHAK stated that during the week of October 6, 1947, at a time that HARRY ASH was in California, JAMES DOHERTY, Tribune reporter, had told him that Governor GREEN had contacted an individual by the name of MAXWELL of the Chicago Tribune, and had told MAXWELL that ASH would have to resign his position as Superintendent of Crime Prevention. DOHERTY told KORSHAK that MAXWELL then called DOHERTY in Washington, D.C., and that in turn DOHERTY telephonically contacted ASH in Los Angeles, California, instructing ASH to resign. KORSHAK stated that prior to this incident, DOHERTY had told him that ASH would not have to be cross-examined by LYONS, as was indicated by newspaper publicity, because of the fact that DOHERTY had told Representative HOFFMAN not to allow LYONS to cross-examine ASH. In this connection, KORSHAK stated that DOHERTY had been running the cross-examinations held at the Congressional Hearing.

In regard to ASH's testimony at the Congressional Hearing during September 1947, KORSHAK stated that both he and DOHERTY, the evening previous to the time ASH was to testify, had coached ASH as to his testimony. This coaching was along the lines that ASH had written a letter in behalf of GIOE, that ASH would be willing to act as a parole advisor and that his

intentions were of the best and he had the best facilities to act as a parole advisor. KORSHAK stated that ASH, during his testimony, did not follow their instructions but got himself involved because of the fact that he would not admit he was a parole advisor for GIOE.

KORSHAK stated that he has known ASH for sometime and that ASH is very emotional and unstable in his thoughts and that ASH has an enormous imagination.

KORSHAK was questioned as to the alleged implication of ASH, LOUIS PELTON, JOE GOLDBLATT, GIBBY KAPLAN and himself in a sex charge in 1940. KORSHAK stated that such a situation actually did occur in connection with the arrest of two teen age call girls, and that at least fifteen prominent names in the City of Chicago were linked up with the girls' activities. However, KORSHAK neither affirmed nor denied that ASH and the others were actually involved, stating that certain policemen had been taken care of and the matter had been dropped.

According to KORSHAK, ASH recently made a trip to California, and prior to this trip, ASH had telephonically contacted KORSHAK stating that he must see KORSHAK immediately. KORSHAK stated that ASH told him he must leave town because of the fact that LYONS of the Parole Board wanted to cross-examine him in connection with letters he had written to the Parole Board. KORSHAK stated that he tried to discourage ASH's trip but that ASH insisted upon calling DOHERTY and discussing the trip with him. DOHERTY was contacted in Washington, D.C. by telephone and ASH told DOHERTY he was going to California. DOHERTY during this same call tried to have KORSHAK stop ASH but this could not be done. The transportation for ASH was arranged by KORSHAK.

KORSHAK was asked if he knew whether ASH had recommended LOUIS PELTON as substitute parole advisor for CHARLES GIOE, and KORSHAK stated he was sure ASH had not suggested PELTON because of the fact that PELTON and ASH are very unfriendly.

KORSHAK stated he had taken the form known as the "statement of parole advisor" to Judge RUDOLPH DeSORT so that DeSORT could sign as an official of a County Court, which signature was necessary prior to the time the form was returned to the penitentiary.

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DEW:rmb

KORSHAK was informed that it was believed he personally engineered the paroles of all the Subjects, and he stated that this was definitely not true.

During a recent investigation in the Chicago Division, it was ascertained through a confidential informant that JAMES WEINBERG, known hoodlum in the Chicago area, contacted KORSHAK in regard to having a "fix" arranged so that a handbook could be placed at 3148 Ashland Avenue, Chicago, and furthermore, that KORSHAK was in frequent contact with JACK GUZIK. KORSHAK was asked if he knew JAMES WEINBERG and if he had not had some business dealings with him in connection with the opening of a handbook on Ashland Avenue which would require special privileges insofar as law enforcement was concerned. KORSHAK stated that if we were going to put him in this situation at all, not to put him in with the "small fries" such as WEINBERG, but to at least include him with the top individuals. At this point the name of JACK GUZIK was mentioned and KORSHAK simply smiled and nodded his head in reply. KORSHAK declined to discuss the matter further.

According to KORSHAK, DOHERTY of the Chicago Tribune has used ASH as a front man for his publications and ASH is DOHERTY's so-called "hatchet man". KORSHAK stated that the Tribune backed ASH for State Senator during one of the elections in the past and out of five candidates, ASH ran fifth. According to KORSHAK, DOHERTY and the Chicago Tribune exercise a tremendous influence over HARRY ASH.

Chicago File 58-194.
PCD:DJM/gm

The following investigation was conducted by DANIEL J. McCARTHY and PHILLIP C. DUNNE on October 15, 1947.

MRS. ELSIE KRUSE, formerly ELSIE FLEIG, 4300 Marine Drive, Chicago, Illinois, states that she, together with her mother-in-law, MRS. ANNA KRUSE, 5206 Oakton, Skokie, Illinois, telephone Skokie 1123, jointly contributed $10,000 towards the bond of Subject RALPH PIERCE on an unknown date sometime in March or April, 1943. MRS. ELSIE KRUSE states she contributed $3,000 and MRS. ANNA KRUSE contributed $7,000 towards the $10,000 bond, and the money was turned over to an insurance company in Chicago, Illinois, the name of which is unknown to MRS. ELSIE KRUSE. MRS. ELSIE KRUSE states that the $10,000 was in check form drawn on the American National Bank and Trust Company of Chicago.

MRS. ELSIE KRUSE states that both she and her mother-in-law have been personally acquainted with both MR. and MRS. RALPH PIERCE for several years, and that she and her mother-in-law volunteered to go the bond for PIERCE. MRS. ELSIE KRUSE advised she does not recall whether or not she received a receipt for the money, and does not recall the exact conversation between herself and MRS. PIERCE regarding the proposed bond for RALPH PIERCE. MRS. ELSIE KRUSE stated that she has been refunded her $3,000, and that she got the money approximately eight weeks ago from an insurance company in Chicago. She cannot account for the lapse of time between the date of PIERCE's discharge until the return of this money. She denied receiving any profit, fee, or compensation for furnishing the bond, and only did it as a personal favor to MRS. RALPH PIERCE.

MRS. ELSIE KRUSE denies knowing attorney EUGENE BERNSTEIN, and denies furnishing any money to Attorney BERNSTEIN or anyone else to assist in the settlement of the income tax cases of the subjects in this case. MRS. ELSIE KRUSE denies possessing any knowledge of any irregularity in the manner in which the subjects obtained their recent parole. She also denies contributing in any manner, shape, or form to any fund for the benefit of subjects, and denies knowing any of the subjects in this case, with the exception of RALPH PIERCE.

Chicago File 58-194.
DJM:PCD/gm

The following investigation was conducted by Special Agents DANIEL J. McCARTHY and PHILLIP C. DUNNE on October 17, 1947:

MRS. ANNA KRUSE, Skokie, Illinois, together with her daughter-in-law, MRS. ELSIE KRUSE, contributed $10,000 for the bond of Subject RALPH PIERCE sometime during 1943. MRS. ANNA KRUSE states she contributed $7,000 of the $10,000 bond, that this was her own money, and that she did so at the suggestion of MRS. RALPH PIERCE, whom she has known several years. MRS. ANNA KRUSE states she contributed the money on a strictly personal basis and received no compensation or bonus for so doing. MRS. ANNA KRUSE states she was refunded her money about 1½ years ago and that this money was returned to her in a check from the bonding company, name unknown, which handled the matter for RALPH PIERCE. MRS. ANNA KRUSE denies knowing Attorney EUGENE BERNSTEIN and denies contributing to any fund for the settlement of the income tax of the subjects in this case. She also denies knowing any of the subjects other than RALPH PIERCE.

Chicago File 58-194.
PCD:DJM/gm

The following investigation was conducted by Special Agents PHILLIP C. DUNNE and DANIEL J. McCARTHY.

Reverend JOHN J. RENGEL, Pastor of the Immaculate Conception Catholic Church, 3111 South Aberdeen, was interviewed on October 16, 1947, at which time he advised that he wrote a letter to the Parole Board on behalf of Subject PHILLIP D'ANDREA at the request of PHILLIP D'ANDREA's brother, ANTHONY. Reverend RENGEL stated that ANTHONY had been a Parishoner of his in his Church at Steger, Illinois, that he had met the Defendant, PHILLIP D'ANDREA, once at the home of his brother, ANTHONY. Reverend RENGEL stated after PHILLIP D'ANDREA's conviction and incarceration, he had become interested in [redacted] whose care and welfare devolved upon his Uncle ANTHONY after the death of his mother. He stated that at the time PHILLIP D'ANDREA's parole came up, ANTHONY D'ANDREA approached him and requested that he write a letter to the Parole Board on behalf of PHILLIP. Reverend RENGEL stated that he did so principally because of his interest in [redacted] whom he felt needed his father's assistance and care. Reverend RENGEL advised that he did not know any of the other defendants in this case.

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Chicago File 58-194.
DJM:PCD/gm

The following investigation was conducted by Special Agents DANIEL J. McCARTHY and PHILLIP C. DUNNE on October 17, 1947:

SAM RINELLA advised that he posted $5,000 cash towards the bond of Defendant RALPH PIERCE, that this transaction was handled through one GEORGE CHERONES, a real estate broker. RINELLA stated that he was requested to contribute this amount by two individuals, neither of whose names he can recall at the present time, but both of them were engaged in the book making business. RINELLA further advised that the greater portion of money, the exact amount being unknown, was put up by his brother, JOE, who is now deceased. He was repaid this money in a year to fifteen months after putting up the same. He stated he did not receive any fee or remuneration of any kind for doing this, but had done so at the request of the two unknown individuals. RINELLA denied any knowledge of any irregularities in the manner in which subjects received their recent parole, and denied that he had ever made any contribution to anyone toward the settlement of any income tax claims against any of the defendants. RINELLA stated that he knew RALPH PIERCE fairly well, and was acquainted with the remaining defendants by sight only.

Chicago File 58-194.
WSM:gm

U N D E V E L O P E D L E A D S

THE CHICAGO DIVISION

AT CHICAGO, ILLINOIS

*Will consider the advisability of reinterviewing JOSEPH I. BULGER, 134 North Clark Street, after the interview with ANTHONY ACCARDO concerning the use of his name by ACCARDO, and for any information in connection with instant paroles.

*Will, after the completion of interviews with the individuals posting cash collateral for bonds for subjects, interview JOSEPH BULGER concerning his connection with the bond matter.

*Will interview HARRY RUSSELL and DAVE RUSSELL, who may be residing at 641 West Madison, concerning their contribution of $8,000 towards the posting of a bond for RALPH PIERCE, which transaction was handled by DAVID V. PEILET.

*Will recontact EDWARD S. CODY, attorney, 130 North Wells Street, Room 1800, telephone STAte 0968, to ascertain, if possible, the identity of the client on whose behalf CODY contributed $10,000 to apply on Subjects' bail bond.

*Will consider the advisability of reinterviewing JOSEPH FUSCO, Gold Seal Liquors, Inc., 707 West Harrison Street, concerning his refusal to discuss the tax settlement made at the time of the original interview.

AT RIVER FOREST, ILLINOIS

*Will interview ANTHONY ACCARDO, 1334 North Ashland Avenue, in regard to his refusing the name JOSEPH I. BULGER when visiting Subjects DELUCIA and CAMPAGNA at Leavenworth Penitentiary.

*Will also interview ACCARDO for any knowledge he may have in connection with securing of the paroles of these subjects.

- P E N D I N G -

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 18 1947

TELEMETER

10-18-47 AB E N.H.

Mr. Tolson
Mr. E. A. [illegible]
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichol
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

WASH 10 FROM CGO 10-18-47 6-53 PM RLS

DIRECTOR AND SAC WASH FIELD "U R G E N T"

ATTENTION ASST DIRECTOR A. ROSEN

ST PAUL SEPARATELY ADVISED

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2-12-95 BY SP5 alm

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTERS. FROM A CONFIDENTIAL SOURCE IT WAS LEARNED THAT LOUIS C. COHEN, WA LOUIS COLLINS, CONTRIBUTED A TEN THOUSAND DOLLAR BOND CONSISTING OF A CASHIER-S CHECK DRAWN ON THE LAKE SHORE TRUST COMPANY IN THE AMOUNT OF THREE THOUSAND NINE HUNDRED FIFTY TWO DOLLARS AND SEVENTEEN CENTS AND CASH TOTALING SIX THOUSAND FORTY SEVEN DOLLARS AND EIGHTY THREE CENTS IN BEHALF OF SUBJECTS IN ORIGINAL CASE IN NINETEEN FORTY THREE. COHEN AS LOUIS COLLINS PRESENTLY REPORTED TO BE A PATIENT AT THE MAYO CLINIC, ROCHESTER, MINN. IT IS SUGGESTED THAT HE BE INTERVIEWED IMMEDIATELY AND ASCERTAIN IF THE ABOVE AMOUNT IS THE TOTAL AMOUNT CONTRIBUTED TO SUBJECTS- BONDS AND WHETHER SUCH AMOUNT IS FROM HIS PERSONAL FUNDS OR WHETHER HE WAS ASSISTED IN RAISING SAID MONEY THRU SOMEONE ELSE. DETERMINE WHO REQUESTED MONEY AND PURPOSE FOR WHICH REQUESTED, HOW PAID WHETHER CASHIERS CHECK, CERTIFIED CHECK, MONEY ORDER, PERSONAL CHECK OR WHAT OTHER FORM, WHO WAS CONTRIBUTION GIVEN TO, WHEN AND WHERE, WAS RECEIPT OBTAINED. ASCERTAIN CONVERSATION RELATIVE TO TRANSACTION, HAS MONEY BEEN REPAID, BY WHOM AND IN WHAT MANNER, WAS THERE ANY PROFIT FEE, COMMISSION, OR BONUS PROMISED FOR FURNISHING SAID CONTRIBUTION. DETERMINE IF ANY MONEY WAS GIVEN OR LOANED TO ATTORNEY BERNSTEIN, SUBJECTS- CHICAGO ATTORNEY, OR TO ANYONE TO ASSIST IN SETTLEMENT OF TAX CASES FOR SUBJECTS. ASCERTAIN IF COLLINS KNOWS OF ANY OTHERS

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END PAGE ONE

51 DEC 18 1947

TWO COPIES WFO

cc: Mr. Nease

PAGE TWO

WHO MAY HAVE CONTRIBUTED TO BAIL BOND IN NINETEEN FORTY THREE OR TAX SETTLEMENT IN NINETEEN FORTY SIX. ASCERTAIN AMOUNT OF CONTRIBUTION INVOLVED. DETERMINE IF COLLINS WAS EVER APPROACHED RELATIVE TO LOANING OR GIVING MONEY IN ANY WAY TO ASSIST IN THE SETTLEMENT OF TAX CLAIM, BAIL, BOND OR PAROLE OF SUBJECTS OR TO ASSIST SUBJECTS IN ANY MANNER WHATSOEVER. DEVELOP INFORMATION RELATIVE TO COLLINS- ACQUAINTANCE WITH SUBJECTS AND THE RELATIONSHIP THAT EXISTS BETWEEN HIM AND SUBJECTS.

MC SWAIN

END AND ACK

STANDARD FORM NO. 64

Office Memorandum • UNITED GOVERNMENT

TO : Mr. A. Rosen

DATE: October 18, 1947

FROM : E. J. McCabe

SUBJECT: LOUIS CAMPAGNA, was; ET AL
BRIBERY; PAROLE MATTERS

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Kendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

The attention of ASAC Hosteny of the Chicago Division was called to the teletype from theChicago Division 6:20 P.M., October 17, 1947 which reflected that information furnished by Korshak to the effect that Governor Green had telephoned one Maxwell of the Chicago Tribune instructing Maxwell to have Ash resign his position as Superintendent of Crime Prevention. Korchak stated that Jim Dougherty, Chicago Tribune reporter, was the source of this information. Mr. Hosteny's attention was called to the fact that information previously received from Maury Hughes indicated that one Maxwell from Ligonier, Indiana, had conferred with Governor Green in respect to the paroles. It was suggested that in view of the fact that we had been unable to locate Maxwell at Ligonier, Indiana, there was a good probability that the Maxwell of the Chicago Tribune was the man referred to by Maury Hughes.

ACTION TAKEN

The Chicago Division will interview Maxwell of the Chicago Tribune for any information he may have concerning the paroles.

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51 DEC 18 1947

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 21

Mr. Tolson
Mr. E. A Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichol
Mr. Roser
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

TELEMETER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/12/93 BY SP5CA/cmj

WASHINGTON AND WASH FIELD 1 NEW YORK 1 FROM GT 20 10-25AM

CONF TO DIRECTOR SACS, MIAMI, NEW YORK AND WASH FIELD

ATTENTION. DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS., ET AL, BRIBERY, PAROLE MATTERS. DISCONTINUE

EFFORTS TO LOCATE AND INTERVIEW ANTHONY ACCARDO. ACCARDO LOCATED

CHICAGO THIS DATE AND WILL BE INTERVIEWED THIS MORNING.

MC SWAIN

MIAMI TO BE ADVISED

END AND ACK PLS

URGENT

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DEC 11 1947

58-2000-247
FBI

32 DEC 3 1947

51DEC181947

TWO COPIES USD

cc: Mr. McCabe

9:16 PM
Mr McCabe for Mr McClean
Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. R.L.S.
Mr. C. A. Evans
Miss Gandy

FEDERAL BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 20 1947

TELEMETER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2-12-75 BY SP5 alw

710

WASH 14 FROM CGO 20 7-25 PM

DIRECTOR AND SAC WASH FIELD "U R G E N T"

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTER. MRS. NANCY DELUCIA INTERVIEWED OCTOBER TWENTY INSTANT AT HER HOME, EIGHT ONE TWO NORTH LATHROP, RIVER FOREST, ILLINOIS, IN CONNECTION WITH INFORMATION SUPPLIED BY CONFIDENTIAL INFORMANT [redacted] REPORT DATED OCTOBER FIFTEEN, NINETEEN FORTY SEVEN, NEW YORK OFFICE. MRS. DELUCIA DENIED HAVING EVER VISITED THE WESTWOOD SUPPER CLUB, RICHMOND, VIRGINIA, STATING SHE HAS NEVER BEEN IN THAT VICINITY IN HER LIFE. MRS. DELUCIA ALSO DENIED KNOWING VINCENT "JIMMY" SPERANZA, ALLEGED OWNER AND OPERATOR OF THE WESTWOOD SUPPER CLUB. MRS. DELUCIA DENIED ANY KNOWLEDGE OF THE PAROLE OF HER HUSBAND, PAUL DELUCIA, STATING SHE ~~MADE FREQUENT~~ MADE FREQUENT VISITS WHILE HE WAS INCARCERATED AT ATLANTA AND LEAVENWORTH PENITENTIARIES, AND THAT ON ALL OF THESE VISITS SHE TRAVELED VIA RAILROAD, MAKING NO STOPS BETWEEN CHICAGO AND POINT OF DESTINATION. ARTHUR J WARD, TWO NAUGHT EIGHT SOUTH LA SALLE STREET, CHICAGO, ILLINOIS, ADVISED HE IS AN INSURANCE BROKER AND HAS BEEN ACQUAINTED IN THIS BUSINESS WITH TIM E. DUNNE, MANAGER OF THE AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, LOCATED CHICAGO, ILLINOIS, THE PAST THIRTY YEARS. WARD ADVISED THAT SOMETIME DURING THE EARLY PART OF NINETEEN FORTY THREE, AN ATTORNEY FRIEND, GEORGE CALLAGHAN, CONTACTED HIM REQUESTING THAT HE LOCATE AN INSURANCE COMPANY WHO WOULD HANDLE BAIL BOND MATTERS. WARD WAS UNABLE TO RECALL THE EXACT AMOUNT BUT STATED IT WAS UNUSUALLY LARGE AND VERY PECULIAR CIRCUMSTANCES SURROUNDED IT, IN THAT HE WAS UNSUCCESSFUL IN FINDING AN INSURANCE

RECORDED INDEXED 62-26000-248

1 DEC

END PAGE ONE

cc: Mr. McCabe

COMPANY WHO WOULD TAKE ANY INTEREST IN THE MATTER. AS A LAST [redacted], [redacted] RESORT, WARD ADVISED THAT DUNNE OF THE AMERICAN CASUALTY COMPANY WAS REFERED TO HIM, AND ARRANGEMENTS WERE MADE WITH DUNNE TO PLACE THE NECESSARY BAIL BOND FOR THE SUBJECTS IN THIS CASE. UPON RECEIVING THIS INFORMATION, WARD ADVISED THAT HE PASSED THE INFORMATION ON TO CALLAGHAN AND ACCOMPANIED CALLAGHAN TO THE OFFICE OF THE AMERICAN CASUALTY COMPANY IN CHICAGO, WHEREUPON, AT HIS REQUEST, CALLAGHAN INFORMED THE COMPANY THAT WARD WAS A QUOTE AGENT OF RECORD ONLY END QUOTE. UPON COMPLETION OF THIS STATEMENT, WARD ADVISED HE LEFT THE OFFICES OF THE AMERICAN CASUALTY COMPANY AND CALLAGHAN HANDLED ALL OF THE REMAINING DETAILS. AS A RESULT, WARD STATED THAT HE RECEIVED A COMMISSION FOR LOCATING A COMPANY THAT WOULD HANDLE THE BAIL [redacted] BONDS AND KNOWS NOTHING FURTHER CONCERNING IT. CONTRIBUTION OF EDWARD S. CODY, ATTORNEY, TOWARD BAIL BONDS WAS ON BEHALF OF HIS CLIENT, JOSEPH F. ROTI, AND WAS DERIVED SOLELY FROM ROTI'S FUNDS ROTI ADVISES HE IS VICE PRESIDENT OF THE VILLAGE BLACKSMITH, A CORPORATION MANUFACTURING GARDEN TOOLS AND CUTLERY. ROTI MADE CONTRIBUTION OF TEN THOUSAND DOLLARS TOWARD BAIL BONDS AT INSTANCE OF LOUIS RAGO, A PERSONAL FRIEND OF ROTI. CONTRIBUTION DELIVERED THROUGH CODY TO ATTORNEY JOSEPH BULGER, WHO GAVE RECEIPT FOR SAME. ROTI DENIES PRESSURE OR CONSIDERATION IN CONNECTION WITH CONTRIBUTION. STATES HE IS NOT PERSONALLY ACQUAINTED WITH ANY OF SUBJECTS AND DENIES HAVING BEEN APPROACHED FOR ASSISTANCE ON BEHALF OF SUBJECTS OTHER THAN BAIL BONDS. DENIES KNOWLEDGE OF BRIBERY OR IRREGULARITIES IN CONNECTION WITH PAROLES. EUGENE BERNSTEIN REINTERVIEWED THIS DATE AND ADVISED THAT HE PAID APPROXIMATELY ONE HUNDRED NINETY THOUSAND DOLLARS FOR THE INCOME TAX AND INTEREST OF DELUCIA AND CAMPAGNA.

END PAGE TWO

STILL DENIES THAT HE KNEW THAT ACCARDO USED THE NAME OF JOSEPH BULGER, ATTORNEY, WHILE VISITING LEAVENWORTH PRISON IN HIS COMPANY. REAFFIRMS HIS STATEMENT THAT HE DOES NOT KNOW ANY OF INDIVIDUALS WHO DEPOSITED FUNDS ON HIS DESK FOR PAYMENT OF INCOME TAXES OF DELUCIA AND CAMPAGNA. BERNSTEIN STATED THAT EVEN THO TAX SETTLEMENT OF ONE HUNDRED NINETY THOUSAND DOLLARS PAID ON OCTOBER ELEVEN, FORTY SIX, VISITS TO PENITENTIARY SUBSEQUENT TO THIS DATE WERE ALSO IN REGARD TO INCOME TAX MATTERS. THESE MATTERS EXPLAINED AS BEING CURRENT INCOME TAX AND TAXES FOR YEARS FORTY TWO THRU FORTY FOUR. BERNSTEIN WAS UNABLE TO GIVE CONCRETE EXAMPLE OF ASSISTANCE RENDERED BY ACCARDO DURING INTERVIEWS WITH DELUCIA AT LEAVENWORTH PENITENTIARY. STILL MAINTAINS THAT ACCARDO WAS TAKEN TO LEAVENWORTH TO INSTILL CONFIDENCE IN DELUCIA IN BERNSTEIN-S ABILITY TO HANDLE TAX MATTER. BERNSTEIN STATED THAT CAR USED TO TRANSPORT SUBJECTS FROM LEAVENWORTH TO KANSAS CITY AIRPORT WAS DRIVEN BY A CASUAL ACQUAINTANCE MET WHILE BERNSTEIN WAS INTOXICATED PREVIOUS EVENING, AND REFUSES TO NAME INDIVIDUAL. JOSEPH IMBURGIO BULGER REINTERVIEWED AT HIS OFFICE THIS DATE. ADVISED THAT HE DID NOT AUTHORIZE THE USE OF HIS NAME AT THE PENITENTIARY BY ACCARDO. STATED THAT HE NEVER MADE A TRIP TO PENITENTIARY WITH BERNSTEIN. BULGER STATED THAT BERNSTEIN

END PAGE FOUR

ORIGINALLY CONTACTED HIM AND REQUESTED ASSISTANCE IN THE TAX MATTER OF PAUL DELUCIA. BULGER ADVISED THAT HE FELT THE MATTER WAS NOT ONE IN WHICH HE COULD ASSIST, AND CONTACTED TONY ACCARDO AND ADVISED ACCARDO THAT BERNSTEIN NEEDED ASSISTANCE IN DETERMINING THE FINANCIAL AFFAIRS OF DELUCIA. BULGER WAS UNABLE TO STATE FROM ACTUAL KNOWLEDGE AS TO WHAT ACTION ACCARDO TOOK REGARDING THIS INFORMATION FURNISHED BY BULGER, AND DID NOT KNOW UNTIL THE TIME OF THE CONGRESSIONAL HEARING THAT BULGER (ACCARDO) HAD ACTUALLY VISITED THE PENITENTIARY WITH BERNSTEIN AND HAD USED HIS NAME IN REGISTERING FOR ADMISSION AS A VISITOR. BULGER STATED THAT IN CONNECTION WITH SECURING OF BONDS OF SUBJECTS IN FORTY THREE, THAT AS AN ATTORNEY FOR TWO OF THE SUBJECTS, HE ATTEMPTED TO OBTAIN THESE BONDS AND HAD SEVERAL UNSUCCESSFUL ATTEMPTS, AND FINALLY RAN INTO GEORGE [redacted] CALLAGHAN, ATTORNEY, AND REQUESTED ANY ASSISTANCE CALLAGHAN COULD GIVE. CALLAGHAN INTRODUCED BULGER TO TIM DUNNE, AMERICAN CASUALTY COMPANY, AND THE NEGOTIATIONS FOR BONDS [redacted] WERE CARRIED OUT BETWEN DUNNE AND BULGER. COLLATERAL PUT UP FOR THE BONDS WAS DEPOSITED ACCORDING TO BULGER WITH THE AMERICAN CASUALTY COMPANY BY THE INDIVIDUALS WHO WERE PUTTING UP THIS COLLATERAL. BULGER WAS UNABLE TO RECALL WHO THESE INDIVIDUALS WERE, STATING THAT IT WAS ALL A MATTER OF RECORD WITH THE INSURANCE COMPANY AS TO THE NAMES OF THE INDIVIDUALS AND THE AMOUNT EACH ONE PUT UP. BULGER STATED THAT HE HAD NO KNOWLEDGE OF [redacted] ANY IRREGULARITIES OR PAYMENTS OF MONEY IN CONNECTION WITH THE OBTAINING OF THE PAROLES BY THE SUBJECTS, AND THAT HE HAD TAKEN NO ACTIVE PART IN ASSISTING THE SUBJECTS IN THEIR PAROLES.

MC SWAIN

END AND ACK

9:45 PM
Mr McCabe called
Mr Nichols
No Action
CP

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 20 1947

TELEMETER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/85 BY SP5A/CW

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Ginnerty

WASH 15 FROM CGO 20 7-58 PM RLS

DIRECTOR AND SAC WASH FIELD (SAC LITTLE ROCK SEPARATELY ADVISED)

ATTENTION ASST DIRECTOR A. ROSEN

" U R G E N T "

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTER. FROM CONFIDENTIAL SOURCE IT ~~WAS~~ WAS LEARNED THAT DAVID J. PEILET CONTRIBUTED THIRTEEN THOUSAND DOLLARS AS BAIL BOND FOR SUBJECT RALPH PIERCE IN THIS CASE. PEILET WHEN INTERVIEWED STATED HE RECEIVED EIGHT THOUSAND DOLLARS IN CASH FROM DAVE RUSSELL OF CHICAGO, ILLINOIS, AND CONTRIBUTED FIVE THOUSAND DOLLARS IN FORM OF CASHIER-S CHECK HIMSELF, MAKING TOTAL OF THIRTEEN THOUSAND DOLLARS. RUSSELL PRESENTLY REPORTED RESIDING AT ~~AEXX~~ ARLINGTON HOTEL, HOT SPRINGS, ARKANSAS. IT IS SUGGESTED HE BE INTERVIEWED IMMEDIATELY AND ASCERTAIN IF THE ABOVE AMOUNT IS THE TOTAL AMOUNT CONTRIBUTED TO SUBJECTS BONDS AND WHETHER SUCH AMOUNT IS FROM HIS PERSONAL FUNDS OR WHETHER HE WAS ASSISTED IN RAISING SAID MONEY THROUGH SOMEONE ELSE. DETERMINE ~~WHEX~~ WHO REQUESTED MONEY AND PURPOSE FOR WHICH REQUESTED. WHO WAS CONTRIBUTION GIVEN TO, WHEN AND WHERE, WAS RECEIPT OBTAINED. ASCERTAIN CONVERSATION RELATIVE TO TRANSACTION, HAS MONEY BEEN REPAID, BY WHOM AND IN WHAT MANNER, WAS THERE ANY PROFIT, FEE, COMMISSION, OR BONUS PROMISED FOR FURNISHING SAID CONTRIBUTION. DETERMINE IF MONEY WAS GIVEN OR LOANED TO ATTORNEY BERNSTEIN, SUBJECT-S CHICAGO ATTORNEY, OR TO ANYONE TO ASSIST IN SETTLMENT OF TAX CASES FOR SUBJECTS. ASCERTAIN IF RUSSELL KNOWS OF ANY OTHERS WHO MAY HAVE CONTRIBUTED TO BAIL BOND IN NINETEEN FORTY THREE OR TAX SETTLEMENT IN NINETEEN FORTY SIX. ASCERTAIN AMOUNT OF CONTRIBUTION INVOLVED. DETERMINE IF RUSSELL WAS EVER APPROACHED RELATIVE TO LOANING OR GIVING MONEY IN ANY WAY TO ASSIST IN THE SETTLEMENT OF TAX CLAIM, BAIL, BOND OR PAROLE OF SUBJECTS OR TO ASSIST SUBJECTS IN ANY MANER WHATSOEVER. DEVELOP INFORMATION RELATIVE TO RUSSELL-S ACQUAINTANCE WITH SUBJECTS AND RELATIONSHIP THAT EXISTS BETWEEN HIM AND SUBJECTS. TELETYPE SUMMARIES MUST BE

RECORDED
INDEXED
58-2000-249

END PAGE

TWO COPIES WFO

cc Mr. McCall

PAGE TWO

SENT TO CHICAGO, WASHINGTON FIELD, O. O., AND BUREAU ATTENTION ASST DIRECTOR A. ROSEN, FOLLOWED IMMEDIATELY BY REPORT TO SAME OFFICES AMSD.

MC SWAIN

END AND ACK

9:40 PM
Mr McCabe called
No Action
JCH

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 20 1947

TELEMETER

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/95 BY SP5CA/CAM

Mr Tolson
Mr E A Tamm
Mr Clegg
Mr Glavin
Mr Ladd
Mr Nichols
Mr Rosen
Mr T Ev
Mr Carnea
Mr Harbo
Mr Ingr
Mr Pennington
Mr Quinn Tamm
Mr Nease
Mr Goody

WASH 16 FROM CGO 20 8-10 PM RLS

DIRECTOR AND SAC WASH FIELD "U R G E N T"

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS; ETAL, BRIBERY, PAROLE MATTERS. ANTHONY ACCARDO WAS INTERVIEWED AT HIS RESIDENCE, RIVER FOREST, ILLINOIS, TODAY. HE REFUSED TO DISCLOSE HIS WHEREABOUTS FOR THE PAST TWO WEEKS, AND DECLINED TO ANSWER ANY QUESTIONS PUT TO HIM BY AGENTS OR MAKE ANY COMMENTS CONCERNING THE PAROLES OF SUBJECTS. DON MAXWELL, CITY EDITOR AND ASSISTANT MANAGER, CHICAGO TRIBUNE, INTERVIEWED, AND DENIES HAVING EVER ATTENDED ANY MEETING AT BERRIEN SPRINGS, MICHIGAN OR ANYWHERE ELSE WITH GOVERNOR GREEN OF ILLINOIS, JOHN DEMPSEY OR ANYONE ELSE. DENIES HAVING HAD ANYTHING TO DO WITH THE PAROLES MATTERS UNDER INVESTIGATION WITH THE EXCEPTION OF PUBLISHING INFORMATION BROUGHT TO HIM BY HIS REPORTER, JAMES DOHERTY. ADVISED AGENTS THAT THE PRESENT INCOME TAX EVASION CASE OF MICHAEL (THE GREEK) POTSOM IS BEING DEFENDED BY ONE GEORGE F. CALLAGHAN, TOGETHER WITH MAURY HUGHES OF DALLAS, TEXAS. ATTENTION IS CALLED TO THE FACT THAT EFFORTS WERE MADE TO INTERVIEW CALLAGHAN CONCERNING HIS PARTICIPATION IN HANDLING BAIL BONDS FOR SUBJECTS AS WELL AS ANY KNOWLEDGE HE MIGHT HAVE CONCERNING THE PAROLES OF SUBJECT, BUT HE FLATLY REFUSED TO DISCUSS ANY MATTER WITH AGENTS. MAXWELL ADVISED THAT HARRY ASH, INITIAL PAROLE ADVISER FOR CHARLES GIOE, RESIGNED FROM HIS POSITION WITH THE STATE CRIME PREVENTION BUREAU AT THE SUGGESTION OF JAMES DOHERTY. HE STATED THAT NEITHER GOVERNOR

RECORDED INDEXED 58-2000-250
OCT 20 1947

END PAGE ONE

TWO COPIES WFO

cc: Mr. McCabe

[redacted] GREEN NOR ANYONE REPRESENTING GOVERNOR GREEN CONTACTED HIM WITH REFERENCE TO ASH-S RESIGNATION. MAXWELL ADVISED THAT RECENTLY HE RECEIVED A TIP FROM NEW YORK TO THE [redacted] EFFECT THAT MAURY HUGHES HAD "SOMETHING" TO DO WITH THE OBTAINING OF THE PAROLES FOR THE SUBJECTS. HE DECLINED TO DISCLOSE THE IDENTITY OF THE PARTY GIVING HIM THIS TIP OR DETAILS. MAXWELL ADVISED THAT EFFORTS ARE BEING MADE AT THIS TIME BY THE CHICAGO TRIBUNE TO TIE MAURY HUGHES WITH GEORGE F. CALLAGHAN IN THIS [redacted] PAROLE MATTER.

MC SWAIN

END ACK

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. Rosen

DATE: October 21, 1947

FROM : E. J. McCabe

SUBJECT: LOUIS CAMPAGNA, was; ET AL
BRIBERY; PAROLE MATTER

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

6 - CA Evans

Special Agent R. P. Cavanagh, who was acting at the Chicago Division, was requested to have the following checks in instant case handled as soon as possible:

(1)- Determine who sponsored the banquet for Morelli and the price of the tickets, as an allegation was made that $3,000 was raised by the banquet and utilized on behalf of subjects in instant case.

(2)- Determine if subject Gioe still maintains an interest in the Beachcomber Restaurant, and if not, the date and circumstances under which he disposed of his interest.

(3)- Determine if Ash had ever before acted as parole advisor for either a local or Federal parolee.

(4)- Reinterview Shainmark of the Chicago Herald American for the purpose of determining if he recalls the source of his information which he had been unable to recall at previous interviews.

(5)- Ascertain if Gregg Dillon, reporter, is any relation to Paul Dillon.

ACTION TAKEN

The Chicago Division will cover these leads expeditiously and will submit a detailed teletype in which they will set out any leads not as yet covered by the Chicago Division, and will also send an airmail special delivery report.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/12/98 BY SP5CA/CAS

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EJM;abk

DEC 18 1947

9:36 PM
NO ACTION
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OCT 22 1947

TELETYPE

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HEREIN IS UNCLASSIFIED
DATE 2-12-95 BY SP5A/CA

Mr. Tolson .....
Mr. E. A. Tamm .....
Mr. Clegg .....
Mr. Glavin .....
Mr. Ladd .....
Mr. Nichols .....
Mr. Rosen .....
Mr. Tracy .....
Mr. Carson .....
Mr. Gurnea .....
Mr. Harbo .....
Mr. Mohr .....
Mr. Pennington .....
Mr. Quinn Tamm .....
Mr. Nease .....
Miss Gandy .....

WASH AND WASH FLD 9 FROM CGO 22 - 7-32 PM DBR

DIRECTOR AND SAC WASHINGTON FIELD URGENT

ATTENTION ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTER.

A. G. HAILAND, OWNER OF CHICAGO INSURANCE AGENCY, INTERVIEWED. ADVISED HE POSTED TEN THOUSAND DOLLAR CASH COLLATERAL TOWARD SUBJECTS BONDS IN NINETEEN FORTY ~~THREE~~ THREE AT THE REQUEST OF J. ARTHUR FRIENDLUND, WHO FURNISHED HIM WITH THE TEN THOUSAND DOLLARS. HAILAND NOT ACQUAINTED WITH ANY OF THE SUBJECT PAROLEES. HAS NO KNOWLEDGE WHATSOEVER WITH RESPECT TO PAROLE MATTER OR TAX SETTLEMENT MATTER. RECEIVED NO PROFIT OR COMMISSION ON THE TRANSACTION BUT MERELY POSTED TEN THOUSAND DOLLARS GIVEN HIM BY MR. FRIENDLUND. J. ARTHUR FRIEDLUND, CHICAGO ATTORNEY, INTERVIEWED AND STATED HE FURNISHED TEN THOUSAND DOLLAR CASH TO THE CHICAGO INSURANCE AGENCY TO BE USED AS CASH COLLATERAL IN CONNECTION WITH THE SUBJECTS BONDS IN NINETEEN FORTY THREE. FRIENDLUND STATES THAT HE OBTAINED THE TEN ~~THOUSAND~~ THOUSAND DOLLARS FROM JAMES D. NORRIS, SON OF THE OWNER OF THE NORRIS GRAIN COMPANY, CHICAGO, ILLINOIS. FRIEDLUND STATED THAT NORRIS GAVE HIM THE TEN THOUSAND DOLLARS AND ASKED HIM TO POST IT AS CASH COLLATERAL FOR A BOND AND RATHER THAN POSTING UNDER HIS NAME HE GAVE IT TO THE CHICAGO INSURANCE AGENCY. FRIEDLUND NOT ACQUAINTED WITH ANY OF SUBJECT ~~PAROLEES~~ PAROLEES, HAS NO KNOWLEDGE WHATSOEVER WITH RESPECT TO PAROLE MATTER OR TAX SETTLEMENT CASE. RECEIVED NO PROFIT OR COMMISSION BUT MERELY DID IT AS A FAVOR TO JAMES NORRIS AS HE DOES LEGAL BUSINESS FOR THE NORRIS GRAIN COMPANY. NORRIS PRESENTLY IN NEW YORK CITY AND NEW YORK BY TELETYPE THIS DATE REQUESTED TO INTERVIEW HIM.

MC SWAIN

SEND AND TACK PLS

RECORDED
INDEXED 158-2000-2552

TWO COPIES TO

cc: Mr. McCabe

9:19 PM
BS Felmin

BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 22 1947

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DATE 2/12/85 Sesa(cm)

WASH AND WASH FLD 8 FROM CHICAGO 22 7-02 PM DBR

DIRECTOR, AND SAC WASHINGTON FIELD URGENT

ATTENTION ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTER. RE TELEPHONE CALL FROM INSPECTOR E. J. MC CABE, BUREAU, THIS DATE REQUESTING FOLLOWING INVESTIGATION. SIDNEY KORSHAK, ONE THREE FOUR NORTH LA SALLE STREET. CHICAGO, FRIEND AND ATTORNEY FOR CHARLES GIOE, ADVISED THAT GIOE DISPOSED OF HIS INTERESTS IN THE DON THE BEACHCOMBER RESTAURANT DURING THE LATTER PART OF NINETEEN FORTYTHREE. ACCORDING TO KORSHAK, HIS OFFICE HANDLED THE SETTLEMENT AND GIOE OWNED ONE THIRD OF ONE HALF INTEREST IN THE RESTAURANT, ALONG WITH J. JACOBSON, M. FRITZEL AND DON THE BEACHCOMBER. KORSHAK STATED THE RESTAURANT WAS VALUED AT APPROXIMATELY NINETY THOUSAND DOLLARS AND THAT GIOE-S INTEREST WAS SETTLED FOR FIFTEEN THOUSAND DOLLARS. PRESENT OWNERS ARE J. JACOBSON AND M. FRITZEL, OWNING FIFTY PERCENT, AND DON THE BEACHCOMBER, OWNING THE REMAINING FIFTY PERCENT INTERESTS. HARRY ASH, TWO TWO TWO EAST CHESTNUT STREET, CHICAGO, ADVISED THAT HE HAD NEVER ACTED EITHER IN FEDERAL OR LOCAL CAPACITY AS PAROLE ADVISOR PRIOR TO THE GIOE INCIDENT. ACCORDING TO ASH, STATE OF ILLINOIS PAROLE SYSTEM DOES NOT PROVIDE FOR PAROLE ADVISORS. HOWEVER, IN HIS CAPACITY AS SUPERVISOR OF THE ILLINOIS CRIME PREVENTION DEPARTMENT HE HAD THE RESPONSBILITY FOR SUPERVISION OF PAROLEES FROM PENAL INSTITUTIONS OF THE STATE OF ILLINOS. ASH CONCLUDED STATING THAT THE CRIME PREVENTION DEPARTMENT EMPLOYED ABOUT THIRTY OR FORTY PAROLE AGENTS, WHO

END PAGE ONE

RECORDED
INDEXED 62-7000-253
32 DEC 3 1947

31 DEC 18 1947 TWO COPIES WFO

cc: Mr. McCabe

ACTUALLY HANDLED THE PERSONAL SUPERVISION OF STATE PAROLEES. LOUIS SHAINMARK, MANAGING EDITOR OF THE CHICAGO HERALD AMERICAN, ADVISED HE COULD NOT RECALL WHO THE INFORMANT WAS WHO SUPPLIED INFORMATION CONCERNING THE ALLEGED "PAY-OFF" TO ~~HANNIGXX~~ HANNIGAN IN CONNECTION WITH THE PAROLES. HE ADDED THAT IT COULD HAVE BEEN QUOTE A PERSON ~~APPXX~~ PASSING THROUGH FROM NEW YORK, END QUOTE, AND HE WAS UNABLE TO RECALL WHO THE PERSON MIGHT HAVE BEEN. GREGORY DILLON, REPORTER FOR THE CHICAGO HERALD AMERICAN, ADVISED HE IS NOT RELATED IN ANY WAY TO PAUL ~~DILLXXX~~ DILLON, THE ATTORNEY. FURTHERMORE, THAT HE HAS NO RELATIVES LIVING IN ST. LOUIS MISSOURI OR THE NEAR VICINITY. GEORGE E. FOX, JR., MANAGER BLACKSTONE HOTEL, CONTACTED RELATIVE TO INFORMATION CONCERNING TEATIMONIAL BANQUET FOR FRED MORELLI. FOX REQUESTS OPPORTUNITY TO LOCATE HOTEL RECORDS PERTAINING TO THIS BANQUET AND BELIEVES HE CAN HAVE INFORMATION ~~AVAILXXX~~ AVAILABLE TOMORROW, OCTOBER TWENTY THIRD. WORK REMAINING TO BE DONE- WILL REINTERVIEW JOE FUSCO CONCERNING HIS REFUSAL TO DISCUSS THE TAX SETTLEMENT MATTER AT THE TIME OF ORIGINAL INTERVIEW. CONTINUE INVESTIGATION TO LOCATE AND EXAMINE BANK ACCOUNTS IN THE NAME OF T. WEBER WILSON, AND CHARLES W. FISHER, US PROBATION OFFICER, CHICAGO, ILLINOIS. WILL MAKE A DETAILED EXAMINATION OF THE BANK ACCOUNTS OF THE ITALIAN AMERICAN WELFARE COUNCIL AT THE ~~COMPXX~~ COSMOPOLITAN NATIONAL BANK OF CHICAGO AND AT THE NORTHERN TRUST COMPANY, PAYING PARTICULAR ATTENTION TO ALL TRANSACTIONS OF THREE FIGURES OR MORE. WILL COMPLETE THE CONTACT WITH CRIMINAL INFORMANTS. WILL LOCATE AND INTERVIEW ONE CAMILLO

SECRET

PAGE THREE

GULLIANO, REGARKING HIS CONTRIBUTING FIFTEEN THOUSAND DOLLARS CASH COLLATERAL TOWARDS THE SUBJECTS BONDS IN NINETEEN FORTYTHREE. WILL INTERVIEW REVEREND ANGELO DELLA VECCHIO CONCERNING HIS WRITING A LETTER ON BEHALF OF SUBJECT D-ANDREA TO THE PAROLE BOARD, FACT THAT REVEREND DELLA VECCHIO WROTE LETTER ON BEHALF OF D-ANDREA OBTAINED FROM REVIEW OF NEWSPAPER FILE, INSTANT MATTER. REPORT WILL BE SUBMITTER OCTOBER TWENTY THREE.

MC SWAIN

END AND ACK PLS

10:48 PM
Nodelson

BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 22 1947

TELEMETER

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Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichol
Mr. Rose
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Manning DBR
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

110

CONF WASH AND WASH FLD 10 AND NEW YORK 2 FROM CGO 22 7-40 PM

DIRECTOR AND SACS NEW YORK AND WASH FLD URGENT

ATTENTION ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. NEW YORK IS REQUESTED TO INTERVIEW JAMES D. NORRIS, IN CARE OF THE NORRIS GRAIN COMPANY, PRODUCE EXCHANGE BUILDING, NYC. RECORDS OF THE AMERICAN CASUALTY COMPANY, CHICAGO, REFLECT THAT THE CHICAGO INSURANCE AGENCY ADVANCED TEN THOUSAND DOLLARS CASH COLLATERAL TO BE USED AS A PORTION OF THE BONDS OF THE SUBJECT PAROLEED IN NINETEEN FORTYTHREE. INVESTIGATION THIS OFFICE REFLECTS THE CHICAGO INSURANCE AGENCY RECEIVED THE TEN THOUSAND DOLLARS FROM J. ARTHUR FRIEDLUND, CHICAGO ATTORNEY, WHO IN TURN RECEIVED THE TEN THOUSAND DOLLARS FROM JAMES NORRIS. NORRIS SHOULD BE INTERVIEWED TO DETERMINE IF THE TEN THOUSAND DOLLARS IS THE TOTAL AMOUNT CONTRIBUTED TO SUBJECTS BONDS IN NINETEEN FORTYTHREE, AND WHETHER SUCH AMOUNT IS FROM HIS PERSONAL FUNDS, OR WHETHER HE WAS ASSISTED IN RAISING SAID MONEY THROUGH SOMEONE ELSE. DETERMINE WHO REQUESTED THE MONEY AND THE ~~FROX~~ PURPOST FOR WHICH IT WAS REQUESTED. HOW PAID AND WHETHER CASHIERS CHECK, CERTIFIED CHECK, MONEY ORDER, PERSONAL CHECK OR WHAT OTHER FORM USED. HAS THE MONEY BEEN REPAID, BY WHOM AND IN WHAT MANNER. WAS THERE ANY PROFIT, FEE, COMMISSION OR BONUS PROMISED FOR FURNISHING SAID ~~SAX~~ CONTRIBUTION. DETERMINE IF NORRIS GAVE OR LOANED MONEY TO ATTORNEY EUGENE BERNSTEIN, CHICAGO, ILLINOIS OR TO ANYONE ELSE TO ASSIST IN THE SETTLEMENT OF THE TAX CASES FOR THE

RECORDED
INDEXED
58-2000-254

END PAGE ONE

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51 DEC 18 1947

transmitted to Mr

cc: Mr. McCabe

SUBJECTS. ATTORNEY BERNSTEIN AND SUBJECT CAMPAGNA BOTH RECENTLY TESTIFIED BEFORE A CONGRESSIONAL HEARING INTO THIS MATTER THAT PERSONS UNKNOWN TO THEM QUOTE DROPPED UNQUOTED SOME ONCE HUNDRED THIRTY THOUSAND DOLLARS ON ATTORNEY BERNSTEIN-S DESK TO SETTLE THE INCOME TAX DEFICIENDIES AGAINST CAMPAGNA AND DE LUCIA. ASCERTAIN IF NORRIS KNOWS OF ANY OTHERS WHO MAY HAVE CONTRIBUTED TO BAIL BONDS IN NINETEEN FORTYTHREE OR TAX SETTLEMENT IN FORTYSIX. ASCERTAIN AMOUNT OF CONTRIBUTION INVOLVED. ASCERTAIN IF NORRIS WAS EVER APPROACHED RELATIVE TO GIVING OR LOANING MONEY IN ANY WAY TO ASSIST IN PAROLE OR TO ASSIST SUBJECTS IN ANY MANNER WHATSOEVER. DEVELOP INFORMATION RELATIVE TO NORRIS-S ACQUAINTANCE WITH SUBJECTS AND THE RELATIONS THAT EXIST BETWEEN HIM AND SUBJECTS. THERE IS SOME INDICATION THAT NORRIS CONTRIBUTION WAS MADE FOR AND ON BEHALF OF RALPH PIERCE. HOWEVER, THIS FACT CANNOT BE SUBSTATIATED IN CHICAGO. IT IS ALSO REPORTED THAT NORRIS FREQUENTS THE RACE TRACKS AND PLAYS THE HORSES FREQUENTLY; THAT HIS FATHER IS A VERY WEALTHY MAN AND OWNER OF THE NORRIS GRAIN COMPANY WITH OFFICES IN SEVERAL MAJOR CITIES. EXPEDITE INTERVIEW. SUTEL SUMMARY TO CHICAGO, WASHINGTON FIELD AND BUREAU, ATTENTION ASSISTANT DIRECTOR A. ROSEN, SUBMITTING IMMEDIATE REPORT WITH COPIES TO THE ABOVE OFFICES.

MC SWAIN

END AND ACK PLS

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: ASST. DIRECTOR A. ROSEN

DATE: October 16, 1947

FROM : SAC, CHICAGO

SUBJECT: LOUIS CAMPAGNA, was, etal
BRIBERY

There is attached hereto a clipping from the Chicago Daily News of October 15, 1947, with regard to the captioned matter, for the Bureau's information.

DEFERRED RECORDING

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Enc.
ENCL

RECORDED 58-2000-255

51DEC 10 1947

F.B.I. Reports Next Week On Paroles of Hoodlums

Attorney General, Here, Denies He Had Second Indictment Dropped

Attorney General Tom Clark said here today that the F.B.I. investigation of the paroles given four Capone hoodlums is a "full dress" one.

The report will come to him next week from J. Edgar Hoover, F.B.I. chief, and he then can delve into the case, he added.

Representative Hoffman of Michigan, chairman of the congressional committee investigating the paroles, has said he will demand that Clark hand over the F.B.I. report.

* * *

CLARK, here to address the convention of the National Retail Druggists, was asked why a second extortion indictment against the hoodlums was dismissed in U.S. court.

The mobsters — Louis "Little New York" Campagna, Paul "The Waiter" DeLucia (alias Ricca), Charles "Cherry Nose" Gioe and Philip D'Andrea—were given 10 years for a $1,000,000 extortion from movie magnates.

Later, an indictment against the four for extorting another $1,000,000 from movie unions was dismissed in the same federal court in New York.

* * *

REPRESENTATIVE Busbey of Chicago, another member of the Congressional investigating committee, charged that Clark had the second indictment dropped.

Clark denied that today, saying, "That was handled by Kostelanetz."

Boris Kostelanetz, assistant U.S. attorney at New York, prosecuted the extortion case.

"I've asked the F.B.I. to look into that, too," Clark added.

* * *

CLARK SAID he had "a great deal of confidence" in the federal parole board.

"I appointed Daniel M. Lyons as chairman and he's a tough man," he said.

CHICAGO DAILY NEWS
Oct 15 1947

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2-10-95 BY SP5CAM/CW

OCT 26 1972
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OCT 8 1947

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: October 23, 1947

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTER

There are attached hereto for the information of the Bureau a clipping from the Chicago Tribune dated October 22, 1947 and two articles from the Chicago Daily News of October 22nd, with regard to the captioned matter.

Mr. Tolson
Mr. Ladd
Mr. Clegg
Mr. Glavin
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Carson
Mr. Hendon
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

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32 DEC 3 1947

51 DEC 18 1947

ATTY. GEN. CLARK BLAMES EX-AIDS IN PAROLE CASE

But Tells Busby How He Approved Action

BY JAMES DOHERTY

Rep. Fred E. Busbey [R., Ill.], prime mover in the investigation of federal department of justice gifts of freedom to four Capone gangsters convicted of using a union to extort one million dollars from employers, and accused of robbing the union's membership of another million, yesterday made public a telegram he received from Atty. Gen. Tom C. Clark. Clark said Boris Kostelanetz, New York attorney, who had resigned from government service when the union thievery indictments against the four hoodlums were dismissed, was responsible for the dismissal.

In addition to shifting to Kostelanetz the responsibility for dropping the prosecution of Paul Ricca, Louis Campagna, Charles Gioe, and Philip D'Andrea last May, Clark also enjoined Kostelanetz against making any public explanation, the congressman asserted. Kostelanetz, who prosecuted the four Chicago public enemies for extortion operations against Hollywood movie producers, told newspapermen the department of justice would not permit him to discuss what he had done.

Clark Cites Kostelanetz

Clark's telegram was in answer to one sent him last week by Busbey asking specific questions. The questions and Clark's answers were as follows:

BUSBEY—Who in "government" decided not to prosecute the gangsters against whom the indictment was dropped last May while negotiations were on for their parole in 3½ years from their 10 year sentences?

CLARK—Boris Kostelanetz, special assistant to the attorney general.

BUSBEY—To whom did Kastelanetz recommend dismissal?

CLARK—James P. McGranery, assistant to the attorney general.

BUSBEY—Who specifically authorized Whearty [an assistant attorney general] to dismiss the indictments?

Admits He Approved Action

CLARK—John F. X. McGohey [United States district attorney in New York], upon authorization of Douglas W. McGregor, assistant to the attorney general.

BUSBEY—Whearty was quoted as saying the dismissal of the indictment had the approval of the attorney general in Washington. Is this true? Did this mean you? If not, whom did it mean?

CLARK—A transcript of the proceedings before Judge Liebell [in New York] reveals that the statement attributed to Mr. Whearty by the press is incorrect. However, for your information, the recommendation of Boris Kostelanetz in its regular course had my approval.

Busbey said that McGranery and McGregor, both of whom had held the post of principal assistant to Clark, have resigned.

"But in the last line of his wire he admits his own approval of the dismissal, and he is finally pinned down on that phase of the inquiry," Busbey added. "He will be given an opportunity to explain his approval of removing that obstacle to the parole for the Chicago men who ruled unions, gambling syndicates, and bootleg gangs."

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/12/98 BY SP5 CA/cw

OCT 26 1972 XEROXED ORIGINAL-RETAIN 1/1/94

CHICAGO DAILY TRIBUNE
Oct 27, 1947

ENCLOSURE 58-2000-256
RECORDED - 111
INDEXED - DEC 3 1947

Deny Attorney General Cleared Parole Path for 4 Hoodlums

Busbey Charge Called 'Ridiculous' by Spokesman

"Ridiculous" was the word used by a spokesman for Attorney General Clark at Washington today to answer a charge that Clark paved the way for parole of four Capone gangsters.

The charge was made by Representative Busbey (Rep., Ill.), a member of the congressional committee which has been probing the paroles.

* * *

BUSBEY SAID that in an exchange of telegrams Clark admitted approving dismissal of mail fraud indictments against the mobsters—Louis "Little New York" Campagna, Philip "The Waiter" D'Andrea, Paul Delucia alias Ricca, and Charles "Cherry Nose" Gioe.

Without dropping of the fraud charge, the gangsters could not have been paroled while serving 10-year sentences for a $1,000,000 extortion of movie magnates, Busbey pointed out.

The four were given their freedom last August after serving one-third of their sentences.

* * *

THE MAIL fraud indictments alleged that the hoodlums also staged a $1,000,000 extortion of members of the International Alliance of Theater and Stage Employees' Union.

The mob gained control of the union, the charge said, and levied a 2 per cent salary assessment against the 46,000 members.

Alleged use of the mails to collect this tribute was the basis for the indictments.

Clark's spokesman, however, asserted today that the fraud indictments were dropped because of insufficient evidence to support a case in court.

* * *

THE CONGRESSIONAL committee is scheduled to reopen its inquiry hearings at Washington when the F.B.I. reports on its probe of the paroles.

Busbey said: "Clark will have an opportunity to explain why he approved removal of an obstacle to the parole of these gangsters."

CHICAGO DAILY NEWS

Oct 22, 1947

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DATE 2/15/95 BY SP5CA/ca

RECORDED
ENCLOSURE
58-2000-256
INDEXED
32 OCT 1947

VIE MOBSTERS AIDED

Reveal Clark O.K.'d Quashing of Charges

Representative Busbey (Rep., Ill.) said today that Attorney General Clark has admitted giving routine approval to the dismissal of mail fraud indictments against four Chicago hoodlums.

Clark made the admission in a telegram made public late yesterday by Busbey, a leader of the congressional investigation into the parole of the four Capone mobsters.

The four hoodlums, sentenced to 10 years in prison for a million-dollar extortion plot against the movie industry, are Louis Campagna, Paul Ricca, Phil D'Andrea and Charles Gioe.

* * *

THEY WERE paroled recently after the mail fraud indictments were dismissed against them last May. The former public enemies had served only one-third of their sentences.

Busbey said the four gangsters could not have won their freedom if the mail fraud indictments obtained in a New York Federal Court in March, 1943, had stood against them.

They were charged with obtaining control of the International Alliance of Theater and Stage Employees' Union and levying an assessment against the 16,000 members.

Each union member, the indictments charged, was compelled to pay two per cent of his salary for an "organization drive."

* * *

RICCA AND HIS associates split the booty among themselves, according to evidence presented by the government.

The federal violation came through use of the mails to send the checks.

Text of Clark's telegram, answering Busbey's specific inquiries, read:

BUSBEY—Who in the government decided not to prosecute (the mail fraud charges)?

CLARK—Boris Kostelanetz, special assistant to the attorney general. (Kostelanetz left the government service shortly afterward.)

BUSBEY—To whom did he recommend dismissal?

CLARK—James P. McGranery, assistant to the attorney general.

BUSBEY—Who specifically authorized assistant attorney general Raymond P. Whearty to dismiss the indictments?

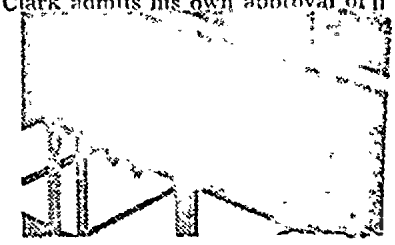
CLARK—John F. X. McGohey (U.S. district attorney in New York), upon authorization of Douglas W. McGregor, assistant to the attorney general.

BUSBEY—Is it true, as Whearty is reported to have said, that this had the approval and recommendation of the attorney general?

CLARK—A transcript of proceedings before Judge Tiebell (of New York) revealed that the statement attributed to Mr. Whearty by the press is incorrect. However, for your information, the recommendation of Boris Kostelanetz in its regular course had my approval.

* * *

"IN THE LAST line of his wire Clark admits his own approval of



ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/17/95 BY SP5 cl/am

CHICAGO DAILY NEWS
Oct 7, 1947

RECORDED 58-2006-256
ENCLOSURE
3 OCT 8 1947

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: ASSISTANT DIRECTOR ROSEN

DATE: October 21, 1947

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was, etal
BRIBERY

Encl 1

For the information of the Bureau there is attached hereto a clipping from the Chicago Tribune of October 18, 1947, with regard to the captioned case.

MG
Encl.

RECORDED 58-2000-2577
32 DEC 3

DEC 18 1947

DEMANDS CLARK TELL WHO O. K.'D FRAUD NOL PROS

Rep. Fred E. Busbey [R., Ill.] demanded yesterday a direct reply from Atty. Gen. Clark on whether he was responsible for the dismissal of mail fraud indictments which paved the way for parole of four Capone gangsters serving federal extortion sentences. The four, Louis Campagna, Phil D'Andrea, Paul Ricca and Charles Gioe, were charged in the indictments with robbing the International Alliance of Theatrical and Stage Employes of more than $1,000,000.

A telegram to Busbey from Peyton Ford, acting assistant to Clark, said Special Assistant Raymond P. Whearty nol prossed the indictments when "the government" decided not to prosecute on the recommendation of Special Assistant Boris Kostelanetz.

Busbey promptly telegrafed Clark, asking [1] who in the "government" decided not to prosecute; [2] to whom Kostelanetz recommended dismissal; [3] who specifically authorized Whearty to dismiss, and [4] whether it was true, as Whearty was reported to have said, that "It [the dismissal] has the approval and recommendation of the attorney general."

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DATE 2/2/95 BY SP5 alw

CHICAGO DAILY TRIBUNE
Oct 18, 1947

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OCT 28 1972
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ENCLOSURE
58-2000-251
32

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. ROSEN

DATE: October 22, 1947

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was, etal
BRIBERY

Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Nease
Mr. Pennington
Mr. Quinn Tamm
Mr. Tolson
Secretary

Encl 1

For the information of the Bureau there is attached a clipping from the Chicago Tribune of October 21, 1947, with regard to the captioned case.

MG
Encl.

62-112195 Serial 2

RECORDED

158-2000-258
F B I
32 DEC 3 1947

11

51 DEC 18 1947

...E PROBERS ...E UP UNION SEIZURE HERE

Gangsters Branded in Judge Dunne Decree

BY JAMES DOHERTY

Records pertaining to the seizure of the Chicago Bartenders union by the Capone gang in 1935 were obtained yesterday by Rep. Fred Busbey [R., Ill.] for presentation to the congressional committee that is seeking an explanation of the conduct of high government officials in granting paroles and dismissing indictments against four of the gangsters.

The story of the union piracy is summed up in the memorandum decree signed March 3, 1941, by Circuit Judge Robert Jerome Dunne. Rep. Busbey said it will be informative to his colleagues who are endeavoring to learn why the gangsters got out of prison after serving a minimum of their sentences.

No Answer From Clark

"I have asked Attorney General Clark to give me a direct answer as to his part in liberating these men," Busbey said. "So far he has avoided answering me. He delegates some subordinate to say that another subordinate made the decision that let Paul Ricca, Louis Campagna, Phil D'Andrea and Charles Gioe walk out of prison last Aug. 13.

"The men were branded as unfit for freedom by Judge Dunne's decree. After Judge Dunne made his finding concerning them, they were indicted in New York for stealing $1,000,000 from the members of another union they had grabbed—the International Alliance of Theatrical and Stage Employes.

Convicted of Extortion

"They were also indicted for extorting $1,000,000 from motion picture magnates thru their control of the union. They were found guilty on the extortion charge and given sentences of 10 years. The other charge was held open until last May, when the convicts were negotiating paroles.

"They could not have been paroled if the other indictment had not been dismissed then. Government employes and attorneys who practice in federal courts say only the attorney general could dismiss the indictment. Yet Clark refuses to speak for himself."

The finding of Judge Dunne was in the case titled George B. McLane vs. Louis Romano. McLane, president of the union, had told authorities the Capone gang had seized control of the union thru use of pistols and threats, and had put Romano in office as union president.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/12/95 BY SP5 c/cw

CHICAGO DAILY TRIBUNE
Oct 21, 1947

OCT 28 1972
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111

ENCLOSURE
58-2000-258
32 DEC 3

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 23 1947

TELEMETER

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WASH 14 FROM CGO 23 6-08 PM RLS

DIRECTOR AND SAC WASH FIELD URGENT

ATTENTION ASST DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, ~~PAROLE~~ PAROLE MATTERS. IN AN EFFORT TO LOCATE BANK ACCOUNTS OF T. WEBBER WILSON AND CHARLES W. FISHER, THE FOLLOWING BANKS WERE CONTACTED IN CHICAGO - CONTINENTAL ILLINOIS BANK AND TRUST COMPANY, FIRST NATIONAL BANK OF CHICAGO, CITY NATIONAL BANK AND TRUST COMPANY, NORTHERN TRUST COMPANY, CHICAGO TERMINAL NATIONAL BANK AND HARRIS TRUST AND SAVINGS BANK. NONE OF THESE BANKS HAD AN ACCOUNT EITHER IN COMMERCIAL OR SAVINGS FOR THE TWO ABOVE MENTIONED INDIVIDUALS. AN ACCOUNT FOR ~~CAROXX~~ CARROL M. FISHER, ONE ONE THREE TWO TWO SOUTH FOREST, CHICAGO - WIFE OF CHARLES W. FISHER - WAS LOCATED AT THE PULLMAN TRUST AND SAVINGS COMPANY, CHICAGO, ILLINOIS. MRS. FISHER HAD A-SAVINGS ACCOUNT AND A CHECKING ACCOUNT, AND MR. E. SPANIER, ASSISTANT ~~CHASXXXX~~ CASHIER, STATED THAT THE BALANCES IN THESE TWO ACCOUNTS WERE JUST SLIGHTLY OVER ONE THOUSAND DOLLARS. HE ADVISED THAT NO LARGE DEPOSITS HAD BEEN MADE TO EITHER ACCOUNT, AND THAT REGULAR DEPOSITS APPEARED IN THE CHECKING ACCOUNT OF ONE HUNDRED SIXTY NINE DOLLARS. CONFIDENTIAL INFORMANTS [redacted] AND [redacted] b7D [redacted] WERE CONTACTED BUT COULD FURNISH NO INFORMATION CONCERN-

END PAGE ONE

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DEC 3 1947

51 DEC 18 1947

TWO COPIES WFO

cc: Mr. McCabe

ING ANY IRREGULARITIES WITH RESPECT TO THE SUBJECTS PAROLE. GEORGE F. CALLAHAN, ATTORNEY, VOLUNTARILY CONTACTED ASAC R. N. HOSTENY AND ADVISED THAT HE RECOMMENDED TIM DUNNE, MANAGER, SURETY DEPARTMENT OF AMERICAN CASUALTY COMPANY, TO JOSEPH I. BULGER ~~AND THIS WAS~~ EXTENT OF HISPARTICIPATION IN CONNECTION WITH SUBJECTS BONDS IN NINETEEN FORTY THREE. HE DENIES ANY KNOWLEDGE OF IRREGULARITIES WITH RESPECT TO SUBJECTS PAROLES.

MC SWAIN

END AND ACK

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON FIELD

FILE NO. 58-194

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
CHICAGO, ILLINOIS	10/23/47	10/20,21,22, 23/47	WAYNE S. MURPHY (A) WSM:lab

TITLE	CHARACTER OF CASE
LOUIS CAMPAGNA, was, ET AL	BRIBERY PAROLE MATTER

SYNOPSIS OF FACTS:

HARRY A. ASH advised that he had never acted as a parole advisor for anyone prior to the GIOE incident. EUGENE BERNSTEIN admits paying $190,000 to cover tax liabilities of PAUL DeLUCIA and LOUIS CAMPAGNA but still maintains he does not know the identities of the contributors of this money. BERNSTEIN still insists he did not know TONY ACCARDO used name of JOSEPH BULGER while visiting subjects at Leavenworth Penitentiary. JOSEPH I. BULGER claims he never visited any of the subjects while they were in prison at Leavenworth, Kansas, and never authorized anyone to use his name at Leavenworth Prison. He stated he had no knowledge of any irregularities or payments of moneys in connection with the obtaining of the paroles for the subjects. Further denies that he has had any active part in assisting the subjects in obtaining their paroles. GREGORY DILLON advised is not related in any way to PAUL DILLON, Attorney of St. Louis, Missouri. SIDNEY KORSHAK, Attorney, advised that prior to 1943, CHARLES GIOE owned one-third of one-half interest in "The Beachcomber" Restaurant, that the remaining interest was owned by MIKE FRITZEL, J. JACOBSON and Don the Beachcomber. GIOE sold his share during latter part of 1943 for $15,000. LOUIS SHAINMARK, Managing Editor, "Chicago Herald American", advised he could not recall the identity of the informant who supplied the information concerning the alleged 'pay-off' to ROBERT HANNEGAN at Toots Shor's. J. ARTHUR FRIEDLUND posted $10,000

NO STATISTICS

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APPROVED AND FORWARDED: SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

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Bureau (AMSD) (Attention: Assistant Director ROSEN)
ington Field (AMSD)
e 58-291)

7-2034

toward subjects' bonds at request of JAMES D. NORRIS, who furnished these funds. JOSEPH I. BULGER maintained small checking account at Melrose Park National Bank, Melrose Park, Illinois, entitled "Brokers Account No. 2". The balance of this account has never exceeded $1,000. GEORGE F. CALLAGHAN, Attorney, advised he referred TIM DUNNE, Manager of the Security Department, American Casualty Company, to JOSEPH I. BULGER, and that this was the extent of his participation with respect to the bonds of the subjects in 1943. States he has no knowledge of irregularities in connection with paroles. [redacted] and [redacted] b7D could furnish no information concerning irregularities in connection with parole.

- P -

b7D

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REFERENCE: Bureau letter to Washington Field dated 9/22/47.
Report of Special Agent (A) WAYNE S. MURPHY dated 10/21/47 at Chicago, Illinois.

DETAILS:

OO OO

Chicago File 58-194
KSS/AWJ

The following investigation was conducted by Special Agent KENNETH S. SMITH on October 22, 1947:

In accordance with a request made by Inspector E. J. McCABE, HARRY ASH was contacted by Special Agent SMITH at 222 East Chestnut Street, Chicago, Illinois. ASH advised that he had never acted as a parole adviser prior to the GIOE incident, either in a Federal or local capacity. According to ASH, the State of Illinois parole system does not provide for parole advisers; however, in his capacity as supervisor of the Illinois Crime Prevention Department, ASH had the responsibility for supervision of parolees from state institutions of the State of Illinois. ASH indicated that the Crime Prevention Department employed about thirty or forty parole agents who actually handled the personal supervision of state parolees.

Chicago File No. 58-194
KSS:LML

The following investigation was conducted by Special Agents (A) DOUGLASS E. WENDEL and KENNETH S. SMITH on October 20, 1947:

EUGENE BERNSTEIN, 77 West Washington Street, Chicago, Illinois, was reinterviewed, and he advised that he paid approximately $190,000.00 for the income tax and interest thereon for PAUL DeLUCIA and LOUIS CAMPAGNA. BERNSTEIN still claims he does not know who the contributors of this money were.

BERNSTEIN denies that he knew that TONY ACCARDO used the name of JOSEPH BULGER, Attorney, while visiting Leavenworth Prison in the company of BERNSTEIN. BERNSTEIN was questioned relative to the purpose of his visits to Leavenworth Penitentiary after October 11, 1946, the date of the tax settlement for CAMPAGNA and DeLUCIA, and he stated that his calls on DeLUCIA subsequent to that date were in connection with income tax matters of both of these individuals. He explained that it concerned current taxes of DeLUCIA and CAMPAGNA and possible refund on the original settlement of approximately $190,000.00. BERNSTEIN stated that the current income taxes involved covered the years of 1942 through 1944.

BERNSTEIN was asked to furnish a concrete example of the assistance rendered by TONY ACCARDO during his visits with DeLUCIA at Leavenworth Penitentiary. BERNSTEIN replied that he merely assisted in establishing DeLUCIA's confidence in BERNSTEIN and was unable to elaborate on it any further.

BERNSTEIN stated that the automobile used to transport subjects from Leavenworth, Kansas, to the Kansas City Airport was obtained by him through a casual acquaintance met while BERNSTEIN was intoxicated in Kansas City on the previous evening. BERNSTEIN refused to name the individual furnishing or driving the automobile. He did add, however, that the automobile was a convertible Cadillac Sedan.

Throughout the interview, BERNSTEIN repeatedly reminded the Agents that he was under no obligation to answer the Agents' questions, and that whenever he saw fit, he would so decline. BERNSTEIN also exhibited an argumentative attitude throughout the interview.

Chicago File 58-194
KSS:IML

The following investigation was conducted by Special Agents (A) DOUGIASS E. WENDEL and KENNETH S. SMITH on October 20, 1947:

JOSEPH IMBURGIO BULGER, 139 North Clark Street, was interviewed and he advised that he never made any trips to Leavenworth Penitentiary with EUGENE BERNSTEIN to visit CAMPAGNA, DeLUCIA or any other prisoners. BULGER stated that BERNSTEIN originally contacted him and requested his assistance in regard to the tax matter of PAUL DeLUCIA. BULGER advised that he called on BERNSTEIN at his office as a result of this request, and upon seeing a lot of figures and papers, immediately advised BERNSTEIN that he did not feel that the matter was one in which he could assist inasmuch as BERNSTEIN wanted someone to accompany him to visit DeLUCIA and instill confidence in DeLUCIA of BERNSTEIN's ability.

BULGER advised that he contacted TONY ACCARDO and advised ACCARDO that BERNSTEIN needed assistance in determining the financial affairs of PAUL DeLUCIA for tax purposes, and also needed someone who could talk to DeLUCIA who was familiar with his personal affairs. BULGER was unable to state from actual knowledge as to what action ACCARDO took regarding the information he supplied him, and stated that he did not know until the time of the Congressional Hearing that ACCARDO had actually visited the penitentiary with BERNSTEIN and had used his name in registering for admission at the penitentiary as a visitor.

BULGER stated very emphatically that he, at no time, authorized ACCARDO to represent himself as his agent or to use his name in connection with any matter, particularly the visits to Leavenworth Penitentiary, and, in this regard, BULGER advised that if BERNSTEIN were responsible for such actions, it was his honest opinion that "Bernstein is in trouble."

BULGER stated that in connection with the securing of bail bonds for the subjects in 1943, that, as an attorney for two of the subjects, he attempted to obtain these bonds from several insurance companies and had met with unsuccessful results. During the time that he was attempting to secure the bail bonds, he advised he ran into GEORGE CALLAGHAN, a Chicago attorney, and requested assistance from CALLAGHAN in connection with the bail bonds. According to BULGER, CALLAGHAN introduced him to TIM DUNNE, a representative of the American Casualty Company, and negotiations for the bonds were carried out between DUNNE and BULGER, with the result that the American Casualty Company supplied the bonds.

BULGER advised that collateral was put up for the bonds by a large number of people known to the subjects, and this collateral was deposited with the American Casualty Company by the individuals. BULGER stated that he was unable

to recall who these individuals were, but that it was all a matter of record with the insurance company as to the names of the individuals and the amount each put up.

BULGER pointed out that he had no knowledge of any irregularities or payments of money in connection with the obtaining of the paroles for the subjects, and that he had taken no active part in assisting the subjects in the obtaining of their paroles.

Chicago File 58-194
KSS/AWJ

The following investigation was conducted by Special Agent KENNETH S. SMITH on October 22, 1947:

At the suggestion of Inspector E. J. McCABE, GREGORY DILLON, reporter for the "Chicago Herald-American", was contacted to develop information as to whether or not he was in any way related to PAUL DILLON, attorney in St. Louis who handled the parole matters in instant case.

GREGORY DILLON was contacted in the Press Office at the City Hall on October 22 and he advised that he is not related in any way to PAUL DILLON. Further, he stated he has no relatives living in St. Louis, Missouri or in that vicinity.

Chicago File No. 58-194
RER:LML

The following investigation was conducted on October 22, 1947, by Special Agents (A) ADRIEN L. MEYER and ROBERT E. RIGHTMYER:

J. ARTHUR FRIEDLUND of the law firm of FRIEDLUND, LEVIN and FRIEDLUND, First National Bank Building, Room 763, Chicago, Illinois, was interviewed. Mr. FRIEDLUND stated that a client of his, JAMES D. NORRIS, asked him to post $10,000.00 cash collateral in connection with the bonds of the subjects in 1943. Mr. FRIEDLUND stated that he could not very well recall at this time the details concerning this transaction. He stated that all he recalls is that JAMES NORRIS came to his office with $10,000.00 and asked him to post it with the American Casualty Company.

Mr. FRIEDLUND stated that rather than personally posting the bond in his name, he turned the money over to the Chicago Insurance Agency and had them post it. The money was subsequently refunded to him by the Chicago Insurance Agency, and he, in turn, refunded it to JAMES NORRIS. Mr. FRIEDLUND stated that there was no profit to him on this transaction, and that he merely did it as an accommodation to JAMES NORRIS.

Mr. FRIEDLUND advised that JAMES D. NORRIS is the son of the owner of the Norris Grain Company with main offices in the Board of Trade Building, Chicago, Illinois. FRIEDLUND related that the NORRIS family were very wealthy and that the Norris Grain Company has offices in several of the major cities in the country.

Mr. FRIEDLUND further advised that JAMES NORRIS was very much interested in horse racing, owned several horses, and was a frequent visitor at the various race tracks. Mr. FRIEDLUND stated that he did not know who contacted NORRIS, and had no other information than that previously mentioned.

Mr. FRIEDLUND stated that he is not acquainted with any of the subject parolees, and has no knowledge whatsoever concerning their paroles or the tax settlement matter.

Mr. FRIEDLUND advised that JAMES D. NORRIS is presently working at the Norris Grain Company, Produce Exchange Building, New York, New York, and may be contacted there for interview in this connection.

Chicago File No. 58-194
RER:LML

The following investigation was conducted on October 22, 1947, by Special Agents (A) ADRIEN L. MEYER and ROBERT E. RIGHTMYER:

Mr. A. G. HAILAND, owner of the Chicago Insurance Agency, 175 West Jackson, Room 901, was interviewed relative to his contributing $10,000.00 cash collateral toward the subjects' bonds in 1943. Mr. HAILAND advised that he recalls that J. ARTHUR FRIEDLUND telephonically contacted him and asked if the Chicago Insurance Agency would put up $10,000.00 cash collateral toward the subjects' bonds, and mentioned that he, FRIEDLUND, would furnish the money. Mr. HAILAND also stated that his company was an agent of the American Casualty Company. Mr. HAILAND advised that he told FRIEDLUND that he would do this as a personal favor to him.

Mr. HAILAND recalls that $10,000.00 was brought to his office by Mr. FRIEDLUND. He then took the $10,000.00 and placed it as cash collateral with the American Casualty Company. He received a receipt for this money, and the money was later refunded, at which time he returned it to Mr. FRIEDLUND. Mr. HAILAND stated that he made no profit on the transaction, and that he merely did it as a favor to Mr. FRIEDLUND, who is a personal friend of his as well as a business associate.

Mr. HAILAND stated that he is not acquainted with any of the subject parolees, and that he has no information whatsoever with respect to their paroles or to the tax settlement matter.

Chicago File 58-194
KSS/AWJ

The following investigation was conducted by Special Agent KENNETH S. SMITH on October 22, 1947:

At the suggestion of Inspector E. J. McCABE, efforts were made to develop information relative to CHARLES GIOE's connection with the restaurant going by the name of "The Beachcomber".

SIDNEY KORSHAK, 134 North LaSalle Street, Chicago, was contacted, and he advised that he is a friend and attorney of CHARLES GIOE. He advised that GIOE formerly had an interest in the restaurant called "The Beachcomber", but had disposed of his interest in "The Beachcomber" during the latter part of 1943. He stated that GIOE was associated with one Don the Beachcomber in this restaurant. According to KORSHAK, his office handled the settlement when GIOE disposed of his one-third of one-half interest in the restaurant. KORSHAK maintained that GIOE owned one-third of one-half interest in the restaurant, and the rest was owned by MIKE FRITZEL, J. JACOBSON and DON THE BEACHCOMBER. KORSHAK stated that the restaurant was valued at approximately $90,000.00 and that GIOE's interest was settled for $15,000.00.

According to KORSHAK, the restaurant is presently owned by J. JACOBSON and MIKE FRITZEL, who own fifty percent, and DON THE BEACHCOMBER, who owns the remaining fifty percent.

Chicago File 58-194
KSS/AWJ

The following investigation was conducted by Special Agent KENNETH S. SMITH on October 22, 1947:

LOUIS SHAINMARK, Managing Editor of the "Chicago Herald-American", was contacted by Special Agent SMITH at the suggestion of Inspector E. J. McCABE. SHAINMARK advised, as has previously been reported, that he could not recall who the informant was who supplied information concerning the alleged "pay-off" to ROBERT HANNEGAN at Toots Shor's in connection with the parole of the Subjects in instant case. He stated that it could have been "a person passing through from New York"; however, he was unable to recall who the person might be who furnished him with the tip he received relative to an alleged pay-off.

Chicago File No. 58-194
KSS:LML

The following investigation was conducted by Special Agents (A) DOUGLASS E. WENDEL and KENNETH S. SMITH on October 21, 1947:

FRED F. VOLKMAN, President, Melrose Park National Bank, Melrose Park, Illinois, advised that JOSEPH I. BULGER, Attorney residing at 161 Broadway, Melrose Park, Illinois, maintains a checking account under the caption, "Brokers Account No.2" with his bank.

He also stated that the Italo-American National Union, Lodge No. 9, maintained a checking account at his bank; however, it was the account of a local lodge and JOSEPH I. BULGER was not represented as an officer of this organization.

VOLKMAN advised that BULGER's Brokers Account No. 2 is not considered very active and has maintained a constant balance not in excess of three figures, and never exceeds $1,000.00.

VOLKMAN stated that the Italo-American National Union account carries an average in the lower four figures, and that it is a depository account used for the collection of premiums, which are then transmitted approximately each month to the District Headquarters, of which BULGER is President.

VOLKMAN advised that the accounts had been examined and neither account reflects any large credits or charges for the year ending September, 1947.

Chicago File 58-194
WSM:lab

Confidential Informant [redacted] was interviewed by Assistant Special Agent in Charge R. N. HOSTENY. This informant stated he has heard nothing regarding any allegations of bribery or other irregularities in connection with the parole of the subjects of this case. It is to be noted that this informant is [redacted] which is predominately [redacted] the "Chicago Tribune" as having [redacted] during the last election, acts of terrorism were reported. In connection with the alleged acts of terrorism, [redacted] stated he had no information regarding such acts. b7D

Confidential Informant [redacted] was interviewed by Special Agent RALPH J. O'CONNELL. This informant was unable to furnish any concrete information with respect to bribery or other irregularities in connection with the parole of the subjects of this case. b7D

On October 22, 1947, GEORGE F. CALLAGHAN, Attorney, Room 1742, Bankers Building, Chicago, voluntarily contacted Assistant Special Agent in Charge R. N. HOSTENY, at which time he furnished the following information:

In 1943, when the subjects were having difficulty in obtaining bonds, JOSEPH I. BULGER, Attorney, contacted GEORGE F. CALLAGHAN for assistance in connection with the obtaining of the bonds. CALLAGHAN advised that he made numerous inquiries concerning this matter, without any particular results. However, later he contacted ARTHUR J. WARD and, through WARD, was referred to a Mr. TIM DUNNE, Manager of the Security Department of the American Casualty Company. CALLAGHAN ascertained that DUNNE would handle the bonds for the subjects and so informed JOSEPH I. BULGER. CALLAGHAN maintained that that was the extent of his participation with respect to this matter. He advised that he had nothing to hide in connection with this investigation and had no information concerning any irregularities.

The following investigation was conducted by Special Agents JOHN R. PAUL and DANIEL J. MC CARTHY on October 23, 1947.

JOE FUSCO, Executive of Gold Seal Liquor Company, was reinterviewed and questioned as to his knowledge concerning the collection of funds for the settlement of income tax claims against PAUL RICCA or other of the defendants. FUSCO again stated that he did not desire to discuss the matter and would not admit that he knew anything about the settlement of these tax claims nor did he admit that he had made any contributions. On the other hand, he declined to deny knowledge and declined to deny that he had made contribution towards this fund.

- P E N D I N G -

Chicago File 58-194
WSM:lab

UNDEVELOPED LEADS

THE CHICAGO OFFICE

At Chicago, Illinois

Will continue efforts to locate and examine bank accounts in the name of T. WEBER WILSON and CHARLES W. FISHER.

Will make detailed examination of the bank accounts of the Italian American Welfare Council at the Cosmopolitan National Bank of Chicago and at the Northern Trust Company, paying particular attention to all transactions of three figures or more.

Will locate and interview CAMILLO GULLIANO concerning his contribution of $15,000 toward cash collateral of subjects' bond in 1943.

Will interview Reverend ANGELO DELLA VECCHIO, 6722 Hermitage Avenue, concerning his writing a letter in behalf of subject D'ANDREA to the United States Parole Board. (Information obtained from a review of the newspaper files to the effect that Reverend DELLA VECCHIO wrote letter to Parole Board on behalf of subject D'ANDREA.)

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